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PART 1
DEFINITIONS AND APPLICABILITY
(Statutory Authority: Public Service Law §§ 4(1), 8)

Sec.
1.1 Statutory terms
1.2 Other terms

Section 1.1 Statutory terms.
Unless the context otherwise requires, terms used in this Title that are defined in the Public Service Law have the meanings there given.

Section 1.2 Other terms.
Unless the context otherwise requires, the following terms have the meanings specified:
(a) agency: any department, board, bureau, commission, division, office, council, committee, public benefit corporation, public authority, or other governmental entity of the State of New York.
(b) Chairman: the Chairman of the Public Service Commission.
(c) General Counsel: the Counsel to the Public Service Commission.
(d) party: any person or agency named or admitted to participate in a proceeding or properly seeking and entitled as of right to be so admitted.
(e) active party: a party included on a list of active parties prepared by a presiding officer pursuant to §4.3(b) of this Title.
(f) presiding officer: the Commissioner, or the Administrative Law Judge or other officer or employee of the Commission so authorized by the Chairman or by the Chairman's designee, presiding over a proceeding or conducting an investigation or hearing.
(g) Secretary: the Secretary to the Commission.
(h) trial staff: staff of the Department of Public Service designated to participate as a party in a particular proceeding. An individual need not appear as a witness to be considered part of trial staff.
(i) overnight delivery service: any delivery service which regularly
accepts items for overnight delivery to any address in the State.

(j) web posting: publication of a document on the World Wide Web at an address that is known and accessible to all parties entitled to be provided with a copy of the document, in a format that allows the document to be downloaded, searched, saved and printed.

(k) electronic signature: an electronic sound, symbol, or process, incorporated within, attached to or logically associated with an electronic document and executed or adopted by a person with the intent to sign the document.

(l) electronic filing: delivery of a document to the Secretary by e-mail or such other electronic means as may be authorized by the Secretary.

(m) electronic service: delivery by e-mail, or such other electronic means as may be authorized by the Secretary, of:
   (1) a notice of web posting providing a web address linking directly to the document being served; or
   (2) the document itself in a format that permits it to be searched, saved and printed by the recipient.

(n) in writing, written: denotes a tangible or electronic record of a communication or representation, including handwriting, typewriting, printing, photocopying, photography, audio or video recording and email; a "signed" writing includes a writing containing an electronic signature.

1.3 Applicability.

The provisions of this subchapter shall not apply to complaints and other matters arising under Subchapter B of this Chapter, except insofar as any such matter becomes the subject of a formal proceeding instituted by the Commission following a party's appeal from the decision of an informal hearing officer.

PART 2
RULES OF CONDUCT
(Statutory authority: Public Service Law, ð 4(1), 20(1))

Sec.
2.1 Parties and representatives
2.2 Recusal

Section 2.1 Parties and representatives.
(a) A party's case may be presented personally or through a representative. A party's representative need not be an attorney, but all persons appearing before the Commission must conform to the standards of conduct required of attorneys appearing before the courts of the State of New York. Any person signing a pleading or brief or entering an appearance in any proceeding will be considered to have agreed to conform to those standards. A failure to conform to those standards will be grounds for exclusion from that and any later proceeding.

(b) When a person submits a request for permission to intervene or a notice of intent to be a party in a proceeding pursuant to ð 4.3(c) or 85-2.11(b) and (c) of this Title, a request for party status shall be included, stating:
(1) the name, address, telephone number, and e-mail address on whose behalf the request for party status is being submitted;
(2) the name of such person's attorney or other representative (if applicable) upon whom service should be made; and
(3) any consent to electronic service given pursuant to §3.2(b)(1) of this Title.

2.2 Recusal.

No presiding officer shall preside over, and no member of the Commission shall participate in making a decision in, a proceeding in which such officer or Commissioner has a personal bias or interest with respect to the matter involved. Any party may submit a motion for recusal of a presiding officer or Commissioner. Such motion shall be accompanied by an affidavit setting forth in detail the facts alleged to constitute grounds for disqualification. The motion shall be submitted to the individual whose recusal is sought, and a copy filed with the Secretary.

3.1 Applications to other authorities

Any person submitting an application that is subject also to the jurisdiction of a federal agency, a regulatory agency of another state, or another New York state agency shall state in the application whether a corresponding application has been submitted to that other agency (or when it will be submitted) and what action, if any, has been taken on it.

3.2 Service and effectiveness of Commission documents

(a) (1) Every order of the Commission will be filed in the principal office of the Commission and served upon all parties to the proceeding in which it is issued, any other person requesting inclusion on the service list for such proceeding, and any person to whom, or corporation to which, the order issues a directive or prohibition (who or which shall be deemed to be a person or corporation to be affected by such order within the meaning of §23(1) of the Public Service Law). A certified copy or a copy bearing the seal of the Commission will be provided upon request.

(2) Unless a statute, order, notice or ruling provides otherwise, such order, notice or ruling is effective upon issuance, which occurs when it is posted on the Commission's website.

(3) When a party appears by a representative, service on the
representative will be deemed proper service on the party.

(b) (1) To the extent required by statute, every order of the Commission will be served personally or by mail on each party to the proceeding in which it is issued and any person to whom the order issues a directive or prohibition, unless such party (or a representative by whom the party appears, such as an attorney or corporate officer) or person consents in writing to electronic service. Such written consent shall:

(i) be filed with the Secretary in writing;
(ii) state that the consenting person is authorized to do so;
(iii) state that the consenting person or party has knowingly waived the right specified in ð23(1) of the Public Service Law to be served personally or by mail; and
(iv) specify any other terms of the consent which, unless otherwise specified, will continue in force until revoked.

(2) Commission documents other than orders will be served personally, by mail, by electronic service or by overnight delivery service.

(3) Electronic service is deemed complete upon sending. Personal service is complete upon delivery. Service by mail or by overnight delivery is deemed complete at the time of sending.

3.3 Waivers.

(a) (1) Any filing deadline, method of filing, number of copies, or page limitation for any document required or authorized to be filed with the Commission (other than a document filed in response to a specific Commission order) may be modified by the Secretary for the purpose of promoting the fair, orderly, and efficient conduct of the case. The Secretary's decision with respect to any such deadline or limitation shall be non-reviewable.

(2) The Secretary shall follow reasonable procedures in administering this subdivision, including the allowance of oral requests and rulings subject to such notification requirements as the Secretary may deem reasonable in the circumstances.

(b) (1) Any request for an extension of time to comply with any requirement, other than a request governed by the preceding subdivision, may be granted by the Secretary for the purpose of promoting the fair, orderly, and efficient conduct of the case, except that the Secretary shall refer to the Commission any such request that would constitute a major modification of the requirement.

(2) A petition for waiver pursuant to this subdivision shall be in writing and shall be filed in advance of the expiration of the time limit at issue. It shall describe in detail:

(i) the efforts made to comply on time with the requirement;
(ii) the circumstances alleged to have precluded timely compliance;
(iii) other factors warranting an extension of time; and
(iv) the amount of additional time being requested.

(c) Waivers not governed by subdivision (a) or (b) of this section may be granted only by the Commission. A petition for such a waiver shall be in writing and describe in detail the circumstances alleged to warrant the waiver.

(d) Requests for waivers pursuant to this section shall be on notice to all parties, except where the party requesting the waiver shows that time constraints or other circumstances preclude such notice.

(e) This section does not apply to requests for waiver of requirements
imposed by a presiding officer in a proceeding or for waiver of the deadlines for responding to pleadings addressed to a presiding officer. Any such request shall be submitted to and ruled on by the presiding officer.

3.4 Subpoenas.

(a) Upon the application of any party to a proceeding, subpoenas and subpoenas duces tecum may be signed and issued by a Commissioner, by the presiding officer in the investigation or hearing in which the subpoena or subpoena duces tecum is requested, or by the Secretary. Normally, it is expected that requests for subpoenas will be presented to the presiding officer where one has been assigned. A copy of any request for a subpoena duces tecum shall be served on the party alleged to possess the documents requested.

(b) A subpoena duces tecum will be issued only upon written application at least seven days in advance of the hearing, setting forth the documents desired to be produced and the reasons they are reasonably related to the subject of the proceeding.

(c) Whenever a subpoena is issued at the request of any party, the cost of service thereof and the fee of the witness shall be borne by the party at whose request the witness is summoned.

(d) Except as otherwise provided in this Title, matters related to subpoenas and subpoenas duces tecum shall be governed by the provisions of the Civil Practice Law and Rules.

3.5 Documents filed with the Secretary.

(a) Unless modified pursuant to § 3.3(a)(1), the following requirements apply to all documents filed with the Secretary.

(1) Documents shall be filed electronically unless the filing party certifies that it is unable to do so, in which case a paper document may be filed, together with the required certification signed by the filing party or the party's representative.

(2) Any paper versions requested by the Secretary must be hand-delivered no later than the day after the electronic filing or, if sent by overnight delivery service or ordinary mail, must be processed by the delivery or postal service by midnight of the same day as the filing.

(3) When a party files only paper documents pursuant to subdivision (a)(1) of this section, the party must provide a clear and permanently legible original to the Secretary, unless otherwise directed by the Secretary. The paper document must be received on or before the due date for the filing.

(b) A document presented for filing shall:

(1) be formatted for a page size of 8-1/2" by 11", with margins of no less than one inch on all four sides. (Exhibits attached to paper filings shall be folded to the same size);

(2) be produced with a font size no smaller than 11-point or its equivalent, and be double-spaced, except that footnotes and lengthy quotations may be single-spaced;

(3) for paper documents, be printed on both sides of the page;

(4) include, on the first or cover page, the caption for the proceeding and case number, if any; the title of the document; the name, address, e-mail address and telephone number of the party submitting it or the party's representative; and, if requesting the initiation of a
new proceeding, a space for the case number;
(5) identify the other parties on which it was served; and
(6) be signed by or on behalf of, the submitting party. Electronic
documents shall have electronic signatures as directed by the Secretary.
Paper documents shall have a handwritten or printed signature. If the
signature is by a representative of the party, the representative's
title (if any) shall be provided.
(c) Additional requirements for electronically filed documents.
(1) Documents presented for filing electronically shall be:
(i) in a format that can be read using software that is readily
available and is in widespread use by government, business and
individuals; and
(ii) be electronically searchable unless the party providing the
document certifies that it does not have the capability to produce a
searchable file.
(2) Formats acceptable for the filing of documents will be identified
from time to time by the Secretary.
(3) Additional guidance on electronically filed documents will be
provided from time to time by the Secretary.
(d) A document presented for filing electronically will be deemed
filed at the time it is received by the Secretary. A document presented
for filing in paper form only will be deemed filed at the time it is
received at the Commission's Albany office. The Secretary, for the
purpose of promoting the fair, orderly, and efficient conduct of the
case, may authorize other arrangements.
(e) Service of documents:
(1) A party who presents a document for filing in a proceeding in
which there are other parties shall at the same time service the
document on each such party. A document requesting the institution of a
new proceeding shall be served on any affected utility and on such other
person or entities as the Secretary may direct.
(2) When a document is served by a party on another party, service
shall be by electronic means unless the serving and receiving parties
agree otherwise, or the Secretary or presiding officer, upon a showing
of good cause, authorizes the use of a different means of service.
(3) Electronic service is deemed complete upon sending. If service by
other means is agreed upon or authorized pursuant to paragraph (2) of
this subdivision, it will be deemed complete when delivered in-hand to
the addressee or when sent by United States mail or overnight delivery
service.
(f) When a reply must be submitted or other action taken within a
specified number of days from the service of a document, that time shall
be extended by five days if service was by mail and by one day if
service was made electronically or by overnight delivery.
(g) Documents filed may be amended on notice to all parties on whom
the original document was served. The Secretary or presiding officer may
reject any amendment upon finding that its acceptance would be unfair to
other parties.
(h) The requirements of this section may not be avoided by a party's
use of a "letter in lieu of a brief" or similarly styled document; but
this provision shall not preclude acceptance of letters and informal
documents from the general public.
(i) A document requesting the Commission to adopt a rule pursuant to
the State Administrative Procedure Act shall include a draft of the
required notice of proposed rulemaking in the form required by that statute and specified by the Department of State. If the filing party is requesting the Commission to take any action on an emergency basis pursuant to §202(6) of the State Administrative Procedure Act, the document requesting such action shall include a proposed statement, in sufficient detail to satisfy the statute, of why emergency action is needed.

(j) All documents addressed to or submitted to a presiding officer which are required to be served on all parties to a proceeding, with the exception of discovery requests and responses, must also be filed with the Secretary.

3.6 Motion practice.

(a) All written motions shall, pursuant to § 3.5 of this Part, be filed with the Secretary and at the same time be served on each party to the proceeding. Oral motions may be made at hearings or in extraordinary circumstances where required by the public interest. Any oral motion not made at a hearing shall be on oral notice to all parties to the proceeding.

(b) In cases in which a presiding officer has been assigned and a recommended decision not yet been issued, motions shall be addressed to the presiding officer. In all other instances, motions shall be addressed to the Secretary.

(c) Motions shall clearly set forth the nature of the relief requested and the alleged basis for it.

(d) (1) Parties wishing to respond to motions shall do so within eight days after service unless a different time period is permitted by § 3.5(f) of this Part or is otherwise established by the presiding officer or the Secretary.

(2) The response shall be addressed to the official to whom the motion was addressed and, pursuant to § 3.5 of this Part, be filed with the Secretary and at the same time be served on each party to the proceeding.

(3) Replies to responses will not be entertained except in extraordinary circumstances or if the response itself seeks relief and effectively constitutes a counter-motion.

3.7 Rehearings.

(a) Any person interested in an order of the Commission may request rehearing within 30 days of service of the order. The petition for rehearing shall, pursuant to § 3.5 of this Part, be filed with the Secretary and at the same time be served on each party to the proceeding.

(b) Rehearing may be sought only on the grounds that the Commission committed an error of law or fact or that new circumstances warrant a different determination. A petition for rehearing shall separately identify and specifically explain and support each alleged error or new circumstance said to warrant rehearing.

(c) Any party may respond to a petition for rehearing within 15 days of the date the petition was served on the responding party, but the Commission may deny a petition before that time has elapsed. Pursuant to § 3.5 of this Part, a response shall be filed with the Secretary, and at the same time be served on each party to the proceeding. Replies to responses will not be entertained except in extraordinary circumstances.
(d) The filing of a petition for rehearing does not in itself stay or excuse compliance with an order.

3.8 Oral argument before the Commission.

(a) The Commission may authorize oral argument before it in any proceeding on its own motion or at the request of a party. In general, oral argument before the Commission will be allowed only in unusual cases, where the issues are not adequately developed in testimony and written pleadings.

(b) A party requesting oral argument before the Commission may do so in any brief to the Commission or in a separate motion filed no later than the deadline for the final authorized round of briefs. Any such request shall include an explanation of why the party believes oral argument is warranted.

(c) The issues that may be raised on oral argument, and the parties authorized to argue, shall be determined by the Commission. The time allowed each party shall be determined by the Secretary.

(d) This section does not apply to oral argument before a presiding officer, which shall be allowed to the extent and in the manner permitted by the presiding officer in any proceeding.

3.9 Settlement procedures.

(a) Notification required for settlement discussions in pending proceedings involving large utilities.

(1) As soon as it appears, based upon exploratory discussion with another party or potential party, that settlement of an issue or issues in a pending proceeding is possible, the utility shall file, with the Secretary, a notice of impending negotiation. The notice shall contain the following:

(i) a general description of the issues that may be settled;
(ii) a list of the persons or parties to the negotiations; and
(iii) a certification by a duly authorized representative of the utility that all appropriate persons and parties have been or will be notified of the pendency of negotiations in a manner so as to permit a reasonable time for preparation.

(2) The Administrative Law Judge assigned to the case shall review the notice to ensure all persons who reasonably should have been notified of the pendency of the negotiations have been afforded a reasonable opportunity to participate. The Administrative Law Judge may take any action necessary to protect the rights of persons participating or desiring to participate in the negotiations or who reasonably should have been notified of the pendency of negotiations. The Administrative Law Judge shall report the results of the procedural review to the Commission.

(b) Notification required for settlement discussions in pending proceedings involving small utilities.

The procedures for notification of impending negotiations in cases involving small utilities shall be the same as set forth in subdivision (a) of this section except, that if an Administrative Law Judge has not been assigned to the proceeding, the Director of the appropriate Division will carry out those responsibilities assigned to the Administrative Law Judge in paragraph (a)(2) of this section.

(c) Notification required for settlement discussions in anticipation of a formal proceeding.
(1) In the event the potential to settle issues between adverse entities arises outside the context of a formal proceeding or in anticipation of a formal filing, a utility shall file a notice of intention to negotiate with the Secretary and shall give notice to all persons who participated in either of the subject utility's two most recent proceedings of the same or similar type as that in which the settlement negotiations are proposed and to any other person reasonably known to have an interest in the outcome of negotiations and can reasonably be expected to engage actively in the negotiations. The notice shall contain the same information as required by paragraph (a)(1) of this section.

(2) The utility shall be responsible to determine the list of potential parties and, in the event of uncertainty, may seek guidance through the Secretary's Office.

(3) The responsibilities outlined in paragraph (a)(2) of this section shall be carried out by the Administrative Law Judge, if one is assigned, or by the Director of the appropriate division, if an Administrative Law Judge is not assigned.

(d) Confidentiality of settlement discussions. No discussion, admission, concession or offer to stipulate or settle, whether oral or written, made during any negotiation session concerning a stipulation or settlement shall be subject to discovery, or admissible in any evidentiary hearing against any participant who objects to its admission. Participating parties, their representatives and other persons attending settlement negotiations shall hold confidential such discussions, admissions, concessions, and offers to settle and shall not disclose them outside the negotiations except to their principals, who shall also be bound by the confidentiality requirement, without the consent of the parties participating in the negotiations. The Administrative Law Judge assigned to the case, or the Director of the appropriate division if no Administrative Law Judge has been assigned, may impose appropriate sanctions for the violation of this subdivision which may include exclusion from the settlement process.

(e) Confidentiality in mediations. The confidentiality provisions set forth in subdivision (d) of this section shall apply to a neutral and any agent or employee of the Department of Public Service participating in a mediated proceeding. A mediated proceeding is any process in which an alternative dispute resolution technique is used to resolve an issue in controversy, where a neutral may be appointed and specific parties participate. In particular, any oral or written communication prepared for the purpose of a mediated proceeding (mediation communication), shall not be required to be disclosed. A written agreement to enter into a mediated proceeding or reached as a final result of such proceeding, or any communication the parties agree is public information, is not a mediation communication.

(1) The term large utility as used in this section means Class A and B electric and gas companies and Class A telephone and water companies.

(2) The term small utilities as used in this section means Class C and D electric and gas companies, Class B telephone companies and Class B, C and D water companies. Class E water companies which have less than $100,000 in annual gross revenues, have been excluded from these regulations.
PART 4
HEARINGS
(Statutory Authority: Public Service Law, ðð 4(1), 8, 19, 20(1), 20(2), 22, 23)

Sec.
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4.10 Exceptions

Section 4.1 In general.

Hearings will be held in cases where required by law and in such other cases as the Commission may direct. Evidentiary hearings shall be governed by the provisions of this part, except as otherwise specifically provided in this Title. Legislative-type hearings shall be conducted in accordance with such procedures as the Commission may direct.

Section 4.2 Notice.

The time and place of each hearing may be determined by the Commission, the Secretary, or the presiding officer. Notice of hearings, specifying time, place, and purpose, will be given in accordance with statutory requirements and such additional requirements as the Commission, the Secretary, or the presiding officer may direct. Any party required to publish or otherwise issue notice shall file proof of having done so at or before the hearing.

Section 4.3 Parties.

(a) Only the parties to a proceeding may present evidence and examine and cross-examine witnesses.

(b) (1) Parties to a proceeding shall include the applicant, petitioner, or complainant, if any; the affected utility company or certificate holder (even if not the applicant or petitioner); trial staff; appearing agencies; and other persons permitted by statute or regulation or by the presiding officer to intervene.

(2) In cases having numerous parties, the presiding officer may promulgate a list of active parties and identify types of documents that need not be served on parties omitted from that list. Omission from that list, however, shall not otherwise affect a party's standing.

(3) To avoid unnecessary duplication, the presiding officer may require parties with similar interests to consolidate their presentations.

(c) (1) Any person may ask the presiding officer for permission to intervene. Permission will be granted if the intervention is likely to contribute to the development of a complete record or is otherwise fair and in the public interest.

(2) Permission to intervene after a hearing has commenced may be sought and granted at any time, unless the presiding officer determines
that granting such permission would be unfairly prejudicial to other parties. A party intervening after the start of the hearing shall be bound by the record as developed to that point and by such conditions of intervention as the presiding officer may impose.

(d) Staff counsel shall provide the presiding officer and all parties a list of persons designated to serve as trial staff in the case as soon as it is practical to do so and shall promptly report any additions to the list. A person once included on the list may not later be deleted.

SO DOC 16A-4.4
NYCRR

4.4 Pre-hearing conference.

(a) A presiding officer may convene a pre-hearing conference to formulate or simplify issues; arrange for the exchange of testimony and exhibits; limit the number of witnesses; set schedules; or otherwise expedite the orderly conduct of the proceeding.

(b) Facts disclosed in pre-hearing conferences shall be privileged. Except by agreement, they may not be used against participating parties unless proven by independent evidence.

SO DOC 16A-4.5
NYCRR

4.5 General procedures.

(a) At hearings, parties to the proceeding will be afforded reasonable opportunity to present evidence and examine and cross-examine witnesses. Examination of all witnesses will be conducted orally and stenographic minutes will be taken.

(b) (1) Any party or prospective party presenting an initial or rebuttal case in a proceeding shall do so by means of prepared written testimony and exhibits, except that a presiding officer, for good cause in extraordinary circumstances, may allow direct oral testimony to be given.

(2) Prepared written testimony, in question-and-answer form, shall be received in evidence with the same force and effect as though it were stated orally by the witnesses, provided that each of the witnesses is present at the hearing at which his or her prepared written testimony is offered and adopts that testimony under oath. If cross-examination of a witness' prepared written testimony is waived by all other parties, that witness need not be present and his or her testimony may be adopted by affidavit submitted to the presiding officer.

(3) Anyone wishing or required to submit prepared written testimony shall comply with the following requirements:

(i) The testimony shall be prepared in question-and-answer form unless the presiding officer determines that use of some other form would enhance the record.

(ii) The testimony shall be double-spaced and the top, bottom and left-hand margins shall be at least one and one-half inches.

(iii) The name of the witness shall be at the top center of each page one inch from the edge, the case number, if already assigned, shall appear in the upper left corner of each page, and the page number for each page shall be located at the bottom center one inch from the edge. The number of each line of the testimony shall be set out on the left-hand side of each page, to the right of the area constituting the margin.

(iv) A square of approximately one and one-half inches in the upper right-hand corner of each page shall be left clear for Public Service Commission use.

(4) If written testimony is not filed in the proper form, it will be
(5) Exhibits shall be prepared as a document separate from the testimony and shall be identified by the initials of the sponsoring witness and a number. Pages shall be single-sided and numbered.

(c) (1) Except as otherwise provided in subdivision (d) of this section, a copy of written testimony and exhibits shall be filed with the Secretary and shall be served on the presiding officer and on each party, unless the presiding officer or a provision of this Title otherwise directs.

(2) If an exhibit consists of a drawing, map, plan, or other information that is difficult to reproduce, parties may consult with the presiding officer regarding the preferred method of service upon other parties and shall consult directly with the Secretary as to the format requirements for filing.

(d) (1) In any case in which a major rate change (as defined in the Public Service Law) is proposed, the utility company shall submit with its tariff filing the prepared written testimony and exhibits that will comprise its initial case in support of its rate filing and shall forward a copy to the New York State Consumer Protection Board. In addition, the utility company shall serve a copy of the testimony and exhibits on each party appearing in the proceeding who so requests.

(2) At the hearing, the utility company's initial case shall be limited substantially to the material submitted with its tariff filing, except as otherwise provided in this Title or unless the presiding officer, for the purpose of promoting the fair, orderly, and efficient conduct of the case, shall rule otherwise.

(e) In proceedings set for hearing, discovery of information will be allowed in accordance with Part 5 of this Title.

(f) The presiding officer at any hearing shall have the powers granted by applicable statutes and regulations as well as all authority customarily exercised by presiding officers and not inconsistent with applicable statutes and regulations.

.50 DOC 16A-4.6 NYCRR

4.6 Postponements and adjournments.

All parties should be prepared to proceed at the first hearing called in any proceeding. Any motion to postpone the first hearing shall set forth the reasons why the postponement is needed and be filed in time to permit other parties to be notified. Any hearing may be adjourned from time to time by the presiding officer, and the first hearing may be postponed by the presiding officer even if its date was set by order of the Commission.

.50 DOC 16A-4.7 NYCRR

4.7 Interlocutory review.

(a) Interlocutory review of a ruling by a presiding officer will be available and may be sought only in extraordinary circumstances or in case a request for permission to intervene has been denied. Normally, the prospect of parties incurring additional workload in consequence of a ruling will not in itself constitute extraordinary circumstances.

(b) Any request for interlocutory review must be filed within 15 days of the issuance of the ruling to which it pertains.

(c) In addition to complying with the requirements applicable to motions generally (see 3.6 of this Title), a motion for interlocutory
review shall:
(1) identify specifically the ruling to be reviewed, and, if the ruling was issued from the bench, set forth as an appendix the pertinent pages of the transcript; and
(2) identify the extraordinary circumstances alleged to warrant interlocutory review.

(d) A party need not file an interlocutory appeal to preserve its right to object to a ruling in its briefs.

4.8 Briefs and argument to the presiding officer.
(a) Briefs shall be addressed to the presiding officer unless the Commission determines in any proceeding that briefs shall be addressed directly to it. In that event, references in this section to the presiding officer shall be deemed to refer to the Secretary.
(b) The presiding officer shall determine the number of briefs that may be written, the schedule for filing them, and the page limitations if any. Copies of exhibits may be appended to any brief without being charged against a page limitation. The presiding officer may authorize oral argument where he or she finds it warranted and determine the scope of any such argument and the procedures to be followed.
(c) Briefs shall meet the general requirements for documents filed with the Secretary, set out in § 3.5 of this Title. In addition, any brief longer than 10 pages, (exclusive of exhibits) shall include a table of contents.
(d) Pursuant to § 3.5 of this Title, each brief shall be filed with the Secretary, and at the same time be served on each party to the proceeding.

4.9 Reports and recommended decisions.
(a) In any case set for hearing, the presiding officer may submit a report to the Commission or prepare a recommended decision. If a report is submitted, the Commission may decide the case without further proceedings.
(b) If a recommended decision is prepared, the Secretary shall determine in the first instance whether to issue it for exceptions or to present it directly to the Commission. If it is presented to the Commission, the Commission may adopt it (with or without modification) without further proceedings or may direct that it be issued for exceptions. If the Commission directs issuance of a recommended decision, it may restrict exceptions to specified issues. A recommended decision that is issued for exceptions shall be served on all parties.

4.10 Exceptions.
(a) If a recommended decision is issued for exceptions, each party may file a brief on exceptions and a brief opposing exceptions, but the Secretary may determine that briefs opposing exceptions will not be entertained. Unless otherwise specifically authorized by the Secretary for the purpose of promoting the fair, orderly, and efficient conduct of the case, pleadings additional to those authorized by this section will not be entertained.
(b) Briefs on exceptions may be filed within 20 days of the issuance of the recommended decision, and briefs opposing exceptions may be filed within 15 days thereafter. The Secretary may extend or curtail these time limits at the request of a party or on the Secretary's own motion.
In addition to meeting the requirements of this subdivision, briefs on exceptions and briefs opposing exceptions shall comply with the requirements of § 3.5 of this Title and § 4.8 of this Part. They shall be self-contained, and may not incorporate earlier pleadings by reference.

(2) A brief on exceptions shall contain:
(i) a short statement of the case;
(ii) a summary of the party's basic position;
(iii) the grounds on which the exceptions rest; and
(iv) the argument in support of the exceptions, including references to the record and to authorities relied on. The argumentation should not simply reiterate the party's position, but should explain why the party believes the recommended decision to be in error.

(3) A brief opposing exceptions shall be directed only at exceptions raised by other parties, and may not raise issues not raised on exceptions. It shall identify each exception replied to.

(4) If only a brief on exceptions is authorized, it may not exceed 50 pages. If briefs on exceptions and opposing exceptions are authorized, they may not exceed 100 pages in total. The Secretary may modify these page limitations at the request of a party or on the Secretary's own motion.

(d) (1) All recommended decisions shall be subject to review by the Commission, in whole or in part, regardless of whether exceptions have been filed.

(2) A party's failure to except with respect to any issue shall constitute a waiver of any objection to the recommended decision's resolution of that issue. If the Commission adopts the recommended resolution, a party that has not excepted may not seek a different resolution of that issue on rehearing.
company, or other entity.

(b) To the maximum extent possible, discovery requests and responses pursuant to this Part shall be served electronically.

5.2 Informal discovery.

(a) Parties are encouraged to communicate and exchange information informally, including by telephone or by meeting, and to use the formal procedures provided for below only as necessary.

(b) Material or information provided by one party to another through informal discovery need not, for that reason alone, be made available to third parties. Nevertheless, no party may refer to, introduce into evidence, or otherwise use at a hearing, except in its pre-filed written testimony or in response to cross-examination, any information obtained through informal discovery unless that party first shows that all other active parties received or had a reasonable opportunity to receive that response reasonably in advance of the hearing at which such use is proposed.

5.3 Interrogatories.

(a) After a proceeding is commenced and until any cut-off point that the presiding officer may set, any party may serve written interrogatories on any other party. Each interrogatory shall be clear and concise, and, to the degree possible, employ technical terms in the way they are usually employed in Commission proceedings; encompass only questions related to each other; and be presented on a separate page. Each party's interrogatories (and document requests pursuant to § 5.4 of this Part) shall be numbered consecutively throughout the proceeding. A copy of every interrogatory shall be served on each party, and on the presiding officer, if he or she so requests.

(b) An individual knowledgeable as to the content of each response to an interrogatory may be required to testify as to its truth or accuracy. If the name of that individual is not set forth on the response, it shall be provided promptly by the responding party upon request.

(c) Except as provided below, a party to whom an interrogatory is directed shall answer each question separately in writing, and shall set forth the question immediately before its answer. Answers shall be served on the requesting party within 10 days following service of the interrogatory, and a copy shall be served on any presiding officer or party who so requests.

(d) If the interrogated party cannot prepare a response within 10 days, it shall, within the 10 days, so inform the interrogating party and state when the response will be forthcoming. Any ensuing dispute over timing of the response shall be submitted to the presiding officer for resolution.

(e) Any objection to an interrogatory shall be made in writing and served on all parties and the presiding officer within 10 days of service of the interrogatory. The interrogatory need not be answered while the objection remains pending. If the presiding officer overrules the objection, the answer to the interrogatory shall be served within five days following the issuance of the ruling or within 10 days following service of the interrogatory, whichever is later.

5.4 Requests for documents.

(a) After a proceeding is commenced and until any cut-off point that
the presiding officer may set, any party may serve a written request for documents (including writings, drawings, and electronically stored information) on any other party. The request shall describe the documents sought with reasonable particularity, though the description may be by clearly defined category rather than by item. A copy of every request shall be served on each party, and on the presiding officer, if he or she so requests.

(b) Except as provided below, a party to whom a request for a document is addressed shall furnish a copy of the document to the requesting party within 10 days of service of the request. A copy of each document shall be provided to any presiding officer or party who so requests. Electronic service of a copy of the document satisfies this obligation.

(c) If the party from which a document is sought cannot provide a copy within 10 days, it shall, within the 10 days, so inform the requesting party and state when the copy will be forthcoming. Any ensuing dispute over timing of the response shall be submitted to the presiding officer for resolution.

(d) Any objection to a document request shall be made in writing and served on all parties and the presiding officer within 10 days of service of the request. The document need not be supplied while the objection remains pending. If the presiding officer overrules the objection, the document shall be supplied within 5 days following the issuance of the ruling or within 10 days following service of the request, whichever is later.

(e) If a requested document is voluminous, the responding party may permit the requesting party to examine the document at the responding party’s office and then supply a copy of only so much of the document as the requesting party finds it needs. The times, locations, and conditions for such examination shall be reasonable, and the presiding officer shall ensure that responding parties do not use this option to impose unfair burdens on requesting parties or otherwise hinder discovery.

5.5 Requests for admissions.

(a) After a proceeding is commenced and until any cut-off point that the presiding officer may set, any party may serve on any other party a request to admit the genuineness of a document, the accuracy or fairness of representation of photographs, drawings, or maps, or the truth of any statement of fact. A copy of every request shall be served on each party and the presiding officer, if he or she so requests.

(b) Responses to requests for admission shall be served within 10 days of service of the request. A copy of the response shall be served on each party and on the presiding officer.

(c) Any request for admission not denied within 10 days will be deemed granted, except in extraordinary circumstances where the failure to deny within that time is shown to be justified.

(d) Admissions made or deemed to be made will be applicable only to the proceeding in which they are requested.

5.6 Other discovery.

The presiding officer, on request or by his or her own motion, may authorize other forms of discovery, including oral depositions and inspection of sites, facilities, or original documents. A party requesting such procedures shall show that the likely benefits cannot
otherwise be obtained and outweigh the associated costs.

5.7 Supplementation of responses.
A party shall promptly amend a previous discovery response if, during the course of the proceeding, it learns that the previous response was incorrect when made or, though correct when made, is no longer so in a material respect.

5.8 Scope of discovery.
(a) Discovery requests should be tailored to the particular proceeding and commensurate with the importance of the issues to which they relate. They should be limited to materials or information that:
   (1) the requesting party expects to use in cross-examination or in preparing its case;
   (2) are not already possessed by or readily available to that party; and
   (3) are not conveniently obtainable elsewhere. Unduly broad requests will not be allowed.
(b) Discovery that is unreasonably cumulative, repetitive, or duplicative will not be allowed.
(c) In general, a party will not be required to develop information or prepare a study for another party. In unusual circumstances, however, where a party from which discovery is sought uniquely possesses the information needed for a study and the ability to prepare the study (for example, computerized data and a program for manipulating them), a request to develop information may be granted if the information appears material and the request, considered on its own and in the context of other similar requests in the proceeding, does not appear unduly burdensome or costly. The presiding officer may condition the granting of such a request on the requesting party's agreement to bear specified costs of performing the study. In no event would a party preparing a study for another be required to testify in support of the study or be constrained in its presentation of its own position on that account.
(d) Claims of evidentiary privilege may be raised by parties in their objections to discovery requests. In resolving claims that information is privileged or exempt from discovery, the presiding officer shall be guided but not bound by the Civil Practice Law and Rules and case law pursuant to it and may conduct in camera examinations, issue protective orders, and adopt other measures suited to the particular situation.
(e) Claims that information is exempt from discovery on the grounds it is a trade secret, confidential commercial information or critical infrastructure information shall be treated in accordance with § 6-1.4 of this Title.
(f) Requests for documents in the control of trial staff shall be subject to the provisions of this Part. If trial staff asserts the "official information privilege" pursuant to § 87(2)(g) of the Public Officers Law, that assertion will be sustained only upon a showing that the interest in the confidentiality of the document at issue outweighs the interest of the requesting party in its disclosure. Documents within the control of trial staff include those prepared by persons currently or previously designated to serve on it and those prepared by other employees of the Department and reviewed by, or in the possession of, a trial staff member in the course of his or her participation in the case in which the discovery request is made.
Denial of discovery pursuant to this Part does not preclude the granting of a request for a document pursuant to the Freedom of Information Law, where warranted.

5.9 Miscellaneous procedures.
(a) Every party shall identify an individual to whom discovery requests should be referred.
(b) The determination of when service of discovery requests, objections, or responses is complete is governed by § 3.5(e)(3) of this Title.
(c) Parties should attempt to resolve discovery disputes among themselves, without involvement of the presiding officer. Problems relating to questions or answers should be communicated to the other party immediately by telephone.
(d) The presiding officer may, at the request of any party or on his or her own motion, modify the procedures set forth in this Part for the purpose of promoting the fair, orderly, and efficient conduct of the case.

5.10 Sanctions.
If a party fails or refuses to comply with a directive to disclose material, or renders incomplete or substantially misleading responses, the presiding officer may:
(a) take as established, to the disadvantage of the recalcitrant party, specified facts related to the matter at hand;
(b) prohibit the recalcitrant party from introducing the evidence concerning which the discovery request was made; or
(c) take such other action as may be proper in the circumstances.

6-1.1 Availability of records
(a) The public records of the Department of Public Service may be inspected, in accordance with the provisions of this Part, during regular business hours on Monday through Friday, exclusive of legal holidays, at the offices of the Department of Public Service. Records will be made available to requesting persons in hard copy or electronically as appropriate.
(b) When the requested records are to be transferred between offices or from the State record center, are in use, or are otherwise not
available within five business days of receipt of a written request that reasonably describes the records, a written acknowledgment of the receipt of the request and a statement of the approximate date when the request will be granted or denied shall be furnished. When a request will be granted in whole or in part, if circumstances prevent disclosure to the person requesting the records within 20 business days after the date of the acknowledgement of the receipt of the request, a written explanation of the inability to grant the request within 20 business days shall be provided, together with a date certain within a reasonable period, depending on the circumstances, when the request will be granted in whole or in part. If access to the records is neither granted nor denied within a reasonable time after the date of acknowledgment of receipt of a request, or if the agency fails to conform to the provisions of §89 (3) of the Public Officers Law, such failure may be construed as a denial of access that may be appealed pursuant to the appeals procedure set forth in 21 NYCRR 1401.7.

(c) A request for public inspection or copying of a record may be made electronically or by mail to the Records Access Officer, Department of Public Service. The Records Access Officer shall respond to such request by electronic mail, provided that the written request does not require a response in some other form.

(d) Appeals pursuant to the procedure set forth in 21 NYCRR 1401.7 may be submitted in electronic form or by mail to the Secretary and shall be heard by the Secretary.

. SO DOC 16A-6-1.2
6-1.2 Fees.

The fees for preparing and reproducing Department records shall be in accordance with a schedule of fees maintained by the Secretary and made publicly available.

. SO DOC 16A-6-1.3
6-1.3 Records containing trade secrets, confidential commercial information or critical infrastructure information.

(a) Definition of a trade secret. A trade secret may consist of any formula, pattern, device or compilation of information which is used in one's business, and which provides an opportunity to obtain an advantage over competitors who do not know or use it.

(b) Manner of identifying trade secrets, confidential commercial information or critical infrastructure information.

(1) Any person submitting records, pursuant to law, regulation or directive, to the Department and requesting trade secret or confidential commercial status for information contained therein, and any person or entity submitting, or otherwise making available, records to the Department and requesting critical infrastructure status for information contained therein, shall submit the records to the Department Records Access Officer in electronic form or by mail and shall clearly identify the records or portions thereof considered to be confidential. This may be accomplished by separating and placing on or attaching to such information at the time of submission a cover sheet or other suitable form of notice, using such language as "critical infrastructure information," "confidential commercial information," "trade secret" or "proprietary". Where the request itself contains information which, if disclosed, would defeat the purpose for which the exception is sought, such information shall also be excepted from disclosure.

(2) A person submitting trade secret or confidential commercial
information to the Department shall clearly state the reason(s) why the information should be excepted from disclosure, as provided for in ò87(2) (d) of the Public Officers Law. In all cases, the person must show the reasons why the information, if disclosed, would be likely to cause substantial injury to the competitive position of the subject commercial enterprise. Factors to be considered include, but are not necessarily limited to:

(i) the extent to which the disclosure would cause unfair economic or competitive damage;

(ii) the extent to which the information is known by others and can involve similar activities;

(iii) the worth or value of the information to the person and the person's competitors;

(iv) the degree of difficulty and cost of developing the information;

(v) the ease or difficulty associated with obtaining or duplicating the information by others without the person's consent; and

(vi) other statute(s) or regulations specifically excepting the information from disclosure.

(3) A person or entity submitting, or otherwise making available, critical infrastructure information to the Department shall clearly state the reason(s) why the information should be excepted from disclosure, as provided in ò87(2) of the Public Officers Law.

(4) A person desiring confidential status for a limited period of time shall indicate such time frame at the time the information is submitted to the Department.

(5) Failure to identify trade secret information at the time of submission may make the information accessible to others without notice to the person who submitted such information unless a specific exemption from disclosure by other statutes or regulations pertains to the information.

(c) Responsibility for custody and maintenance of confidential records.

(1) The Department Records Access Officer shall ensure compliance and coordinate public requests for access to records as set forth in ò6-1.1 of this Part.

(2) The Department Records Access Officer shall be responsible for custody of such records.

(3) The manner of designating the persons responsible for maintaining confidential information while in the possession of office personnel shall be determined by each office director so as to adequately safeguard access to the information while at the same time providing the flexibility required for daily operations.

(4) All documents containing confidential information will be maintained apart by the Department from all other records and will not be divulged to unauthorized persons so long as they remain classified as confidential.

(5) Information submitted pursuant to subdivision (b) of this section shall be excepted from disclosure and maintained apart by the agency from all other records until 15 days after entitlement to confidential status has been finally denied or such further time as ordered by a court of competent jurisdiction.

(d) Safeguarding confidential records.

(1) Each office or employee having possession of the confidential information shall take appropriate measures to safeguard such
information and to protect against its disclosure.

(2) The use of simple and effective devices to identify and manage a confidential record repository shall be established so that security is maintained.

(e) Status of records prior to Department determination.

(1) Until such time as the Department makes a determination, confidential information submitted in accordance with subdivision (b) of this section shall be excepted from disclosure and be maintained apart and in a secure manner from other Department records.

(2) Confidential status shall be granted to documents submitted in accordance with subdivision (b) of this section if a prima facie case for confidentiality is made and such status shall be continued until such time as the agency, on its own initiative, or at the request of any person for a record excepted from disclosure pursuant to ð 89(5) of the Public Officers Law, finally determines the confidential status of the document.

(3) The initial determination with respect to the confidential status of a document shall be made by the Department Records Access Officer and the office director most immediately and directly involved with the content of the document on the basis of the information for which confidential status is sought and written material submitted with the information, as well as any written statement of the necessity for an exception from disclosure submitted pursuant to ð 89(5)(b)(2) of the Public Officers Law.

(f) Requests for access to department records granted confidential status or where determination pending.

(1) A request for access to Department records granted confidential status, or where such a determination is pending, may be made by any person and shall be in writing. The department may at any time on its own initiative redetermine the classification of records granted confidential status.

(2) The Department shall give written notice to the person who originally submitted the confidential records that the record has been requested and that a determination will be made regarding access. The original requester of confidential status shall have 10 business days from receipt of the written notice to submit a statement to justify an exception from public disclosure.

(3) Within seven business days of the receipt of a statement of justification from the person who originally submitted the record, or within seven business days of the expiration of the period prescribed for submission of the statement, the Department Records Access Officer shall serve a written ruling upon the person requesting access to the record, which either grants or denies access to the record. The ruling shall state the reasons for the determination. The ruling shall also be served upon the person who originally submitted the information, and the Committee on Open Government.

(g) Appeal of negative determinations.

(1) A determination that the submitted material does not merit confidential status made under subdivision (e) or (f) of this section or the grant or denial of access to the records made under subdivision (f) of this section may be appealed in writing, in electronic form or by mail, within seven business days of receipt. The appeal is taken when it is received by the Secretary who shall hear appeals from such negative determinations. The Secretary may consult with the General
Counsel and the Chief Administrative Law Judge or their designees in reaching a determination. In addition, a copy of the appeal shall be served upon the opposing party and sent to the Department Records Access Officer.

(2) The Secretary shall review the appeal and a written final determination shall be sent to the person requesting the record, if any, and the person who requested the exception within 10 business days after receipt of the appeal, which determination specifically states the reason or reasons for such final determination. A copy of the final determination shall also be sent to the Committee on Open Government, the Department Records Access Officer and posted on the Commission’s Web site.

6-1.4 Special rules applicable when a presiding officer is assigned.

(a) Manner of identifying trade secrets, confidential commercial information or critical infrastructure information.

(1) Whenever a party seeks disclosure of information in an administrative proceeding, the party in possession of such information may request that it be granted confidential status. A party requesting confidential status shall submit the record containing such information to the presiding officer in electronic form or by mail and shall clearly identify the portions of the record considered to be confidential.

(2) The party submitting confidential information to the presiding officer shall also submit a comprehensive brief specifying in detail the reasons why such information should be accorded confidential status as provided for in § 6-1.3 (b)(2) of this Subpart.

(3) Information submitted pursuant to this section shall be excepted from disclosure and maintained apart by the agency from all other records until 15 days after entitlement to confidential status has been finally denied or such further time as ordered by a court of competent jurisdiction.

(b) Initial determination of confidential status.

(1) After reviewing the information submitted under subdivision (a) of this section, the presiding officer shall make an initial determination of its relevance to issues in the proceeding. If such information is determined to be relevant, the presiding officer shall, within seven business days, issue a written determination granting or denying confidential status to the information or any portions thereof. The presiding officer may in any proceeding require that the information for which confidential status has been requested be submitted immediately under a protective order so that all parties may have access to the information without delay.

(2) After a determination that the information submitted is not relevant, the presiding officer shall return the information to the party who submitted it.

(3) In reaching a determination as to the status of the information, the presiding officer shall consider the information for which confidential status is sought, the material submitted by the party pursuant to paragraph (a)(3) of this section, and any other responsive documents, material or testimony deemed necessary or proper in keeping with the claims of confidentiality.

(c) Safeguarding confidential records in administrative hearings. The presiding officer shall take appropriate measures to preserve the confidentiality of trade secrets, confidential commercial information or
critical infrastructure information. Measures to be considered include,
but are not necessarily limited to:
(1) limiting access to the material;
(2) deleting sensitive material that is not relevant to issues in the
hearing;
(3) aggregating or summarizing data in a manner that preserves the
confidentiality of confidential information; and
(4) restricting attendance during portions of a hearing at which
confidential proof is to be introduced.
(d) Appeal from a determination by the presiding officer.
(1) A determination that the submitted information does not merit
confidential status under subdivision (a) of this section or a
determination granting or denying access to the material, including
determinations with respect to the measures that will be taken to
preserve the confidentiality of the information, made under subdivisions
(b) and (c) of this section, may be appealed in writing, in electronic
form or by mail, within seven business days of receipt of such
determination. The Secretary shall hear appeals from such negative
determinations. The Secretary may consult with the General Counsel and
the Chief Administrative Law Judge or their designees in reaching a
determination.
(2) The Secretary shall review the appeal and a written final
determination shall be sent to the person requesting the record, if any,
and the person who requested the exception within 10 business days after
receipt of the appeal, which determination specifically states the
reason or reasons for such final determination. A copy of the final
determination shall also be sent to the Committee on Open Government,
the Department Records Access Officer and posted on the Commission's Web
site.

Sec.
6-2.1 Purpose and scope
6-2.2 Definitions
6-2.3 Designation and duties of privacy compliance officer
6-2.4 Proof of identity
6-2.5 Fees
6-2.6 Public inspection of records
6-2.7 Requests for records and information
6-2.8 Amendment of records
6-2.9 Denial of request for a record or amendment or correction of a
record or personal information
6-2.10 Appeal
6-2.11 Statement of disagreement by data subject

(a) It is the responsibility and the intent of the Department to fully
comply with the provisions of Article 6-A of the Public Officers Law,
the "Personal Privacy Protection Law."
(b) The Department shall maintain in its records only such personal
information that is relevant and necessary to accomplish a purpose of
the agency that is required to be accomplished by statute or executive
order, or to implement a program specifically authorized by law.
(c) Personal information will be collected, whenever practicable,
directly from the person to whom the information pertains.
(d) The Department seeks to ensure that all records pertaining to or
used with respect to individuals are accurate, relevant, timely, and
complete.
(e) This Subpart provides information regarding the procedures by
which members of the public may assert rights granted by the Personal
Privacy Protection Law.
.SO DOC 16A-6-2.2                                NYCRR
6-2.2 Definitions.
(a) Data subject. The term data subject means any natural person about
whom personal information has been collected by an agency.
(b) Personal information. The term personal information means any
information concerning a data subject which, because of name, number,
symbol, mark or other identifier, can be used to identify that data
subject.
(c) Record. The term record means any item, collection, or grouping of
personal information about a data subject which is maintained and is
retrievable by use of the name or other identifier of the data subject.
The term record shall not include personal information which is not used
to make any determination about the data subject if it is:
(1) a telephone book or directory which is used exclusively for
telephone and directory information;
(2) any card catalog, book, or other resource material in any library;
(3) any compilation of information containing names and addresses only
which is used exclusively for the purpose of mailing agency information;
(4) personal information required by law to be maintained, and
required by law to be used, only for statistical research or reporting
purposes;
(5) information requested by the agency which is necessary for the
agency to answer unsolicited requests by the data subject for
information; or
(6) correspondence files.
(d) System of records. The term system of records means any group of
records under the actual or constructive control of any agency
pertaining to one or more data subjects from which personal information
is retrievable by use of the name or other identifier of a data subject.
.SO DOC 16A-6-2.3                                NYCRR
6-2.3 Designation and duties of privacy compliance officer.
(a) The Department's Records Access Officer is hereby designated
privacy compliance officer and is responsible for ensuring that the
agency complies with the provisions of the Personal Privacy Protection
Law and this Subpart; and for coordinating and developing the
Department's response to requests for records or amendment of records.
(b) The address of the privacy compliance officer is available on the
Commission's website.
(c) Upon receipt of a request from a data subject, which may be sent
in electronic form, the privacy compliance officer is responsible for:
(1) assisting a data subject in identifying and requesting personal
information, if necessary;
(2) describing the contents of systems of records orally or in writing
in order to enable a data subject to learn if a system of records
includes a record or personal information identifiable to a data subject requesting such record or personal information;

(3) taking one of the following actions upon locating the record sought:
   (i) making the record available for inspection in written form without codes or symbols, unless an accompanying document explaining such codes or symbols is also provided;
   (ii) permitting the data subject to copy the record; or
   (iii) denying access to the record in whole or in part and explaining in writing the reasons therefor;

(4) making a copy of any record to be made available to a data subject, upon request, and upon payment of or offer to pay established fees (see ð 6-1.2 of this Part), and responding to such requests by electronic mail, provided that the written request does not require a response in some other form, or permitting the data subject to copy the records;

(5) upon request, certifying that:
   (i) a copy of a record is a true copy; or
   (ii) the Department does not have possession of the record sought; or
   (iii) the Department cannot locate the record sought after having made a diligent search; or
   (iv) the information sought cannot be retrieved by use of the description thereof, or by use of the name or other identifier of the data subject without extraordinary search methods being employed by the Department.

. SO DOC 16A-6-2.4                                NYCRR
6-2.4 Proof of identity.
   (a) When a request is made pursuant to this Subpart in person, or when records are made available in person following a request made electronically or by mail, the Department may require appropriate identification, such as a driver's license, an identifier assigned to the data subject by the Department, a photograph or similar information that confirms that the records sought pertain to the data subject.
   (b) When a request is made pursuant to this Part, by mail, the Department may require verification of a signature or inclusion of an identifier generally known only by a data subject, or similar appropriate identification.

. SO DOC 16A-6-2.5                                NYCRR
6-2.5 Fees.
   (a) Unless otherwise prescribed by statute, there shall be no fee charged for:
      (1) inspection of records;
      (2) search for records; or
      (3) any certification pursuant to this Subpart.
   (b) Unless otherwise prescribed by statute, written copies of records will be furnished in accordance with ð 6-1.2 of this Part.

. SO DOC 16A-6-2.6                                NYCRR
6-2.6 Public inspection of records.
   (a) Records shall be made available both electronically and at the main office of the Department.
   (b) Whenever practicable, records shall be made available at the New York City Office of the Department.
   (c) The Department shall accept requests for records and produce records during regular business hours.
6-2.7 Requests for records and information.
All requests made pursuant to this Subpart shall be made in writing and must be accompanied by a reasonable proof of identity.

6-2.8 Amendment of records.
Within 30 days of a request from a data subject for correction or amendment of a record or personal information that is reasonably described and that pertains to the data subject, the Department shall:
(a) make the amendment or correction in whole or in part and inform the data subject that, on request, such correction or amendment will be provided to any person or governmental unit to which the record or personal information has been or is disclosed pursuant to paragraphs (d), (i) or (l) of subdivision one of ð 96(1) of the Public Officers Law;
(b) inform the data subject in writing of its refusal to correct or amend the record, including the reasons therefor.

6-2.9 Denial of request for a record or amendment or correction of a record or personal information.
(a) Denial of a request for records or amendment or correction of a record or personal information shall:
(1) be in writing, explaining the reasons therefor; and
(2) identify the person to whom an appeal may be directed.
(b) A failure to grant or deny access to records within five business days of the receipt of a request or within 30 days of an acknowledgment of the receipt of a request, or a failure to respond to a request for amendment or correction of a record within 30 business days of receipt of such a request, shall be construed as a denial that may be appealed.

6-2.10 Appeal.
(a) Any person denied access to a record or denied a request to amend or correct a record or personal information pursuant to ð 6-2.9 of this Subpart may, within 30 days of such denial, appeal in writing to the Secretary.
(b) The time for deciding an appeal shall commence upon receipt of an appeal that identifies:
(1) the date and location of a request for a record or amendment or correction of a record or personal information;
(2) the record that is the subject of the appeal; and
(3) the name and return address of the appellant, including an e-mail address, if available.
(c) Within 7 business days of an appeal of a denial of access, or within 30 days of an appeal concerning a denial of a request for correction or amendment, the Secretary shall:
(1) provide access to or correct or amend the record or personal information; or
(2) fully explain in writing the factual and statutory reasons for further denial and inform the data subject of the right to seek judicial review of such determination pursuant to Article 78 of the Civil Practice Law and Rules.
(d) If, on appeal, a record or personal information is corrected or amended, the data subject shall be informed that, on request, the correction or amendment will be provided to any person or governmental
unit to which the record or personal information has been or is
disclosed pursuant to paragraph (d), (i), or (1) of subdivision one of §
96(1) of the Public Officers Law.
(e) The Department shall immediately forward to the Committee on Open
Government a copy of any appeal made pursuant to this section upon
receipt, the determination thereof and the reasons therefor at the time
of such determination.

NYCRR 6-2.11 Statement of disagreement by data subject.
(a) If correction or amendment of a record or personal information is
denied in whole or in part upon appeal, the determination rendered
pursuant to the appeal shall inform the data subject of the right to:
(1) file with the Secretary a statement of reasonable length setting
forth the data subject's reasons for disagreement with the
determination;
(2) request that such a statement of disagreement be provided to any
person or governmental unit to which the record has been or is disclosed
pursuant to paragraph (d), (i), or (1) of subdivision (1) of § 96(1) of
the Public Officers Law.
(b) Upon receipt of a statement of disagreement by a data subject, the
Department shall:
(1) clearly note any portions of the record that are disputed; and
(2) attach the data subject's statement as part of the record.
(c) When providing a data subject's statement of disagreement to a
person or governmental unit in conjunction with a disclosure made
pursuant to paragraph (d), (i), or (1) of subdivision one of § 96(1) of
the Public Officers Law, the Department may also include a concise
statement of the Secretary's reasons for not making the requested
amendment or correction.

NYCRR 7.1 Purpose
This Part sets forth procedures in addition to
those contained in 6 NYCRR Part 617, which are necessary for the
commission's implementation of the State Environmental Quality Review
Act. The terms used in this Part have the meanings given them in 6 NYCRR
617.2, unless the context otherwise requires.

NYCRR 7.2 Types of actions. (a) Type I actions (which are more likely to
require the preparation of environmental impact statements than unlisted
actions) are listed in 6 NYCRR 617.12. Type II actions (which have been
determined not to have a significant adverse effect on the environment)
are listed in 6 NYCRR 617.13 and in the following subdivision. Neither
new programs nor major changes in priorities with respect to policies,
regulations and procedures are included.
(b) The adoption of policies, regulations and procedures constitutes
the undertaking of a type II action if it relates to:
(1) routine administration and management of the commission's
functions, including but not limited to rules establishing procedures for the orderly conduct of business before the commission (e.g., Rules of Procedure, 16 NYCRR, Chapter I, which set forth such matters as the procedures for hearings and rehearings and the content of applications and exhibits);

(2) practices by utilities concerning administration and management of utility functions, including but not limited to rules relating to:
   (i) utility reports;
   (ii) the preparation of tariff schedules;
   (iii) the uniform system of accounts;
   (iv) contract and procurement procedures; and
   (v) notice of issuance of securities;

(3) practices by utilities concerning customer relations, including but not limited to rules governing:
   (i) service standards;
   (ii) gas standards;
   (iii) consumer deposits;
   (iv) bills for service;
   (v) notice for interruptible service;
   (vi) complaint procedures; and
   (vii) limitations of liability;

(4) activities by utilities concerning testing, inspection, repair and maintenance of existing facilities, including rules governing meter testing, inspection, repair and maintenance requirements; or

(5) safety measures for design, testing, operation and maintenance of utility facilities, unrelated to siting authorization, including rules governing the reporting of accidents by electric utilities.

7.3 Environmental review procedures. (a) When the commission is the lead agency with respect to an action that may have a significant adverse effect on the environment and a hearing concerning such action is required by statute, the commission will file a copy of the draft environmental impact statement (EIS) which has been prepared, together with a notice of its completion and a notice of hearing, in accordance with the requirements of 6 NYCRR 617.10. The commission will cause the notice of hearing to be published at least 14 days in advance of the hearing in a newspaper of general circulation in the area of the potential effects of the action. The hearing will commence no less than 15, nor more than 60 days after the filing of the draft EIS.

(b) (1) The tentative or recommended decision issued in the proceeding will contain a final EIS, unless:
   (i) the action has been withdrawn; or
   (ii) on the basis of the record of the proceeding (including the draft EIS and any comments received thereon), the Administrative Law Judge issuing such decision determines that the action will not have a significant adverse effect on the environment.

   (2) If the tentative or recommended decision contains a final EIS, it will be issued within 45 days of the close of the record, unless such time is extended:
       (i) where it is determined that additional time is necessary to prepare the EIS adequately;
       (ii) where problems have been identified which require the material reconsideration or modification of the action; or
       (iii) for other good cause.
(3) If the Administrative Law Judge has determined that the action will not have a significant adverse effect on the environment, the notice of such determination will be filed in accordance with 6 NYCRR 617.10. If the tentative or recommended decision contains a final EIS, copies of the decision (together with a notice of its completion) will be filed in accordance with 6 NYCRR 617.10.

(c) Where an action proposed by an applicant has been the subject of a final EIS, the commission will render its decision on whether or not to approve such action within 30 days after the filing of the final EIS, except for good cause.

PART 8
DECLARATORY RULINGS
(Statutory Authority: Public Service Law, ññ 4(1), 20(1); State Administrative Procedure Act, ññ 204, 205, 206)

Sec.
8.1 Availability
8.2 Procedure
8.3 Effect

Section 8.1 Availability.
(a) Declaratory rulings may be issued with respect to:
(1) the applicability to any person, property, or state of facts of any rule or statute enforceable by the Commission or the validity of any such rule;
(2) whether any action by the Commission should be taken pursuant to a rule; and
(3) whether a person's compliance with a Federal requirement will be accepted as compliance with a similar State requirement applicable to that person.
(b) A declaratory ruling may also be issued whenever the Commission determines it is warranted by the public interest.

Section 8.2 Procedure.
(a) In addition to complying with the requirements of ñ 3.5 of this Title, a petition for declaratory ruling shall contain:
(1) a caption and a complete statement of the facts and grounds prompting the petition, including a full disclosure of the petitioner's interest;
(2) a clear, concise statement of:
(i) the controversy or uncertainty that is the subject of the petition; and
(ii) the petitioner's proposed resolution of that controversy or uncertainty; and
(3) citations to any statutes, rules, or other authorities involved.
(b) At the time it is filed, a petition for declaratory ruling shall be served on the affected utility company, if any, and any other entity known to be directly affected by or interested in the requested ruling. The Secretary may require service on other affected or interested persons.
(c) Responses to a petition for declaratory ruling may be filed within 21 days of the date the petition is filed, shall be served upon the petitioner, and shall comply with the requirements of ñ 3.5 of this Title. All respondents, as well as the petitioner, shall be considered
parties.

(d) A petitioner for a declaratory ruling shall promptly correct any deficiencies in a filed petition and shall make available for the Commission's use the originals, or, if so directed, certified or verified copies, of all books, papers, and documents that may be required. Failure to do so may be grounds for declining to issue a declaratory ruling.

(e) Where a petition seeks a declaratory ruling with respect to whether an action should be taken pursuant to a rule, the ruling or a statement declining to rule will be issued within 60 days of the date the petition is filed.

PART 10

REFERENCED MATERIAL

(Statutory authority: Public Service Law, § 4, 5, 65, 66, 79(1), 80(2); Executive Law, § 102(1)(2))

Sec.
10.1 (Reserved)
10.2 Federal regulations
10.3 Other information

(a) The regulations referred to in this subdivision are available from the U.S. Department of Transportation, Information Service Division, 400 Seventh Street SW, Washington, DC 20590, or on the internet on U.S. Government Printing Office's website at URL: http://www.gpoaccess.gov/cfr/retrieve.html. They are available for inspection and copying at the Public Service Commission's Office, Empire State Plaza, Building 3, Albany, NY 12223-1350. The regulations referred to in this Title are:

(1) 49 CFR part 40, Procedures for Transportation Workplace Drug and Alcohol Testing Programs (Revised as of October 1, 2015).

(2) 49 CFR part 190, Pipeline Safety Programs (Revised as of October 1, 2015).

(3) 49 CFR part 191, Transportation of Natural and Other Gas by Pipeline; Annual Reports, Incident Reports, and Safety Related Condition Reports (Revised as of October 1, 2015).

(4) 49 CFR part 192, Transportation of Natural and Other Gas by Pipeline: Minimum Federal Safety Standards (Revised as of October 1, 2015).


(6) 49 CFR part 195, Transportation of Hazardous Liquids by Pipeline (Revised as of October 1, 2015).

(7) 49 CFR part 199, Drug and Alcohol Testing (Revised as of October 1, 2015).

(b) The regulations referred to in this subdivision are available from the Superintendent of Documents, U.S. Government Publishing Office, 732 North Capitol Street NW, Washington, DC 20401. They are available for inspection and copying at the Public Service Commission's Office, Empire
State Plaza, Building 3, Albany, N.Y. 12223. The regulations referred to in this Title are:

10.3 Other information.
(a) The standards referred to in this subdivision are published by and available from the American Society of Mechanical Engineers, 22 Law Drive, Box 2900, Fairfield, NJ 07007-2900. They are available for inspection and copying at the Public Service Commission's Office, Empire State Plaza, Building 3, Albany, NY 12223-1350. The regulations referenced in this Title are:
(2) ASME/ANSI B31.8, Gas Transmission and Distribution Piping Systems (2007 edition);
(4) ASME Boiler and Pressure Vessel Code, Section VIII, Pressure Vessels, Division 1 and Division 2 (2007 edition);
(5) ASME Boiler and Pressure Vessel Code, Section IX, Welding and Brazing Qualifications (2007 edition);
(7) ASME/ANSI B16.5, Pipe Flanges and Flanged Fittings (2003 edition);
(9) ASME/ANSI B31.8s-2004 (Supplement to B31.8), Managing System Integrity of Gas Pipelines, (2004); and
(b) The standards referred to in this subdivision are published by and available from the National Fire Protection Association, 1 Batterymarch Park, P.O. Box 9101, Quincy, MA 02169-9101. They are available for inspection and copying at the Public Service Commission's Office, Empire State Plaza, Building 3, Albany, NY 12223-1350. The standards referenced in this Title are:
(1) NFPA 30, Flammable and Combustible Liquids Code (2012 edition, June 20, 2011, including Errata 30-12-1 (September 27, 2011) and Errata 30-12-2 (November 14, 2011));
(2) NFPA 54, National Fuel Gas Code (1996 edition);
(3) NFPA 58, Liquified Petroleum Gas Code (2004 edition);
(4) ANSI/NFPA 59, Standard for the Storage and Handling of Liquefied Petroleum Gases at Utility Gas Plants (2004 edition);
(5) NFPA 59A, Standard for the Production, Storage, and Handling of Liquefied Natural Gas (LNG) (2001 edition); and
(c) The standards referred to in this subdivision are published by and available from the American Petroleum Institute, 1220 L Street, Northwest, Washington, DC 20005. They are available for inspection and copying at the Public Service Commission's Office, Empire State Plaza, Building 3, Albany, NY 12223-1350. The standards referenced in this Title are:
(2) API Recommended Practice 5L1, "Recommended Practice for Railroad Transportation of Line Pipe," (7th edition, 2009) (API RP 5L1);
(3) API Recommended Practice 5LT, "Recommended Practice for Truck Transportation of Line Pipe," (First edition, March 2012) (API RP 5LT);
(4) API Recommended Practice 5LW, Transportation of Line Pipe on Barges and Marine Vessels, (3rd edition, September 2009) (API RP 5LW);
(5) ANSI/API Specification 6D, Specification for Pipeline Valves (23rd edition and Errata 1 (June 2008), 2 (November 2008), 3 (February 2009), 4 (April 2010), 5 (November 2010), 6 (August 2011), Addendum 1 (October 2009), 2 (August 2011), and 3 (October 2012)) (ANSI/API Spec 6D);
(6) API Standard 1104, Welding of Pipelines and Related Facilities (20th edition, October 2005, errata/addendum and errata 2) (API Std 1104);
(7) API Recommended Practice 1162 Public Awareness Programs for Pipeline Operators (First edition) (API RP 1162); and
(8) API Recommended Practice 1165, Recommended Practice for Pipeline SCADA Displays (1st edition, January 2007) (API RP 1165).

d) The standards referred to in this subdivision are published by and available from the American Society for Testing and Materials, 100 Barr Harbor Drive, West Conshohocken, PA 19428. They are available for inspection and copying at the Public Service Commission's Office, Empire State Plaza, Building 3, Albany, NY 12223-1350. The standards referenced in this Title are:
(1) ASTM Specification A53/A53M, Standard Specification for Pipe, Steel, Black and Hot-Dipped, Zinc-Coated Welded and Seamless (A53/A53M-10);
(2) ASTM Specification A106/A106M, Standard Specification for Seamless Carbon Steel Pipe for High-Temperature Service (A106/A106M-10);
(3) ASTM Specification A671/A671M, Electric-Fusion-Welded Steel Pipe for Atmospheric and Lower Temperatures (A671/A671M-10);
(4) ASTM Specification A672/672M, Electric-Fusion-Welded Steel Pipe for High-Pressure Service at Moderate Temperatures (A672/672M-09);
(5) ASTM Specification A691/A691M, Carbon and Alloy Steel Pipe, Electric-Fusion-Welded for High-Pressure Service at High Temperatures (A691/A691M-09) (Reapproved 2007);
(6) ASTM Specification A333/A333M, Standard Specification for Seamless and Welded Steel Pipe for Low Temperature Service (A333/A333M-11);
(9) ASTM Specification D638, Standard Test Method for Tensile Properties of Plastic (D638-03);
(10) ASTM Specification D2513, Standard Specification for Thermoplastic Gas Pressure Pipe, Tubing, and Fittings (D2513-99 except for marking requirements, D2513-87);
(11) ASTM D2513-09a, Standard Specification for Polyethylene (PE) Gas Pressure Pipe, Tubing, and Fittings, approved December 1, 2009, (ASTM D2513-09a)
(12) ASTM Specification D2517, Standard Specification for Reinforced Epoxy Resin Gas Pressure Pipe and Fittings (D25170-2000); and
(13) ASTM Specification F1055, Standard Specification for Electrofusion Type Polyethylene Fittings for Outside Diameter Controlled Polyethylene Pipe and Tubing (F1055-98).

(e) The standards referred to in this subdivision are published by and
available from the Manufacturers Standardization Society of the Valve and Fittings Industry, 127 Park Street, N.E. Vienna, VA 22180. They are available for inspection and copying at the Public Service Commission's Office, Empire State Plaza, Building 3, Albany, NY 12223-1350. The standards referenced in this Title are:

(1) MSS SP-44, Steel Pipe Line Flanges (2010).

(f) The opinions referred to in this subdivision were authored by the Public Service Commission and are available for inspection and copying at the commission's office, Empire State Plaza, Building 3, Albany, NY 12223. The opinions referenced in this Title are:

(1) Op. No. 75-6, entitled Opinion and Order Establishing Rules and Regulations Pertaining to Underground Electric Transmission Facilities Not Subject to Article VII of the Public Service Law, issued March 26, 1975 in Cases 25352 and 25396, as amended by Op. No. 75-6(A), entitled Opinion and Order Granting in Part and Denying in Part Applications for Rehearing, issued August 1, 1975; and


(g) The standards referred to in this subdivision are:

(1) American National Standard for Gas Displacement Meters (500 cubic feet per hour capacity and under) and designated as ANSI B109.1-1986;

(2) American National Standard for Diaphragm Type Gas Displacement Meters (over 500 cubic feet per hour capacity) and designated as ANSI B109.2-1986; and


(h) (1) The standards referred to in Part 503, section 503.1 of this Title are published by Health Research Inc., Health Education Services Division, P.O. Box 7126, Albany, NY 12224. They are available for inspection and copying at the Public Service Commission's Office, Empire State Plaza, Building 3, Albany, NY 12223. The standards referenced in this Title are: Recommended Standards for Water Works - Policies for the Review and Approval of Plans and Specifications for Public Water Supplies (1987 Edition).

(2) The standards referred to in Part 503, section 503.6 of this Title
are published by the American Water Works Association, 6666 W. Quincy Avenue, Denver, Co 80235. They are available for inspection and copying at the Public Service Commission's Office, Empire State Plaza, Building 3, Albany, NY 12223. The standards referenced in this Title are: Manual M 17 - Installation, Field Testing and Maintenance of Fire Hydrants (1989 Edition).

(i) The standard referred to in this subdivision is published by and available from the NACE International, 1440 South Creek Drive, Houston, Texas 77084-4906. It is available for inspection and copying at the Public Service Commission's Office, Empire State Plaza, Building 3, Albany, NY 12223-1350. The standard referenced in this Title is:

(j) The standard referred to in this subdivision is published by and available from the Gas Technology Institute, 1700 S. Mount Prospect Road, Des Plaines, IL 60018. It is available for inspection and copying at the Public Service Commission's Office, Empire State Plaza, Building 3, Albany, NY 12223-1350. The standard referenced in this Title is:
(1) GRI 02-0057, Internal Corrosion Direct Assessment of Gas Transmission Pipelines-Methdology, (April 1, 2002).

(k) The standards referred to in this subdivision are published by and available from the Plastics Pipe Institute, Inc. (PPI), 1825 Connecticut Avenue, NW, Suite 680, Washington, DC 20009. They are available for inspection and copying at the Public Service Commission's Office, Empire State Plaza, Building 3, Albany, NY 12223-1350. The regulations referenced in this Title are:

SO DOC 16A-CISB

NYCRR

SUBCHAPTER B

Procedures and Requirements Concerning Consumer Protections

PART


12 Complaints--Form and Practice

13 Rules Governing the Provision of Service by Gas, Electric and Steam Corporations to Nonresidential Customers

14 Rules Governing the Provision of Service by Certain Water Corporations to Residential Customers

SO DOC 16A-PT11

NYCRR

PART 11

HOME ENERGY FAIR PRACTICES ACT AND ENERGY CONSUMER PROTECTON ACT--RULES

(Statutory Authority: Public Service Law, art. 2, §§ 4(1), 30-53, 66), 80(1))

Sec.

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Section 11.1 Purpose.
This Part sets forth the commission's rules implementing the Home Energy Fair Practices Act (L. 1981, ch. 713) and the Energy Consumer Protection Act of 2002 (L. 2002, ch. 686). Those acts establish as State policy that the continued provision of all or any part of gas, electric and steam service to all residential customers without unreasonable qualifications or lengthy delays is necessary for the preservation of the health and general welfare and is in the public interest.

Section 11.2 Applicability of rules.
(a) Notwithstanding any other commission rule or order to the contrary, this Part governs the rights, duties and obligations of every gas corporation, electric corporation, gas and electric corporation, steam corporation and municipality subject to the jurisdiction of the commission by virtue of articles 2, 4 and 4-A of the Public Service Law, their residential customers and applicants for residential service. When used in this Part:

(i) The term utility means any such gas corporation, electric corporation, gas and electric corporation, steam corporation, municipality, or any entity that, in any manner, sells or facilitates the sale, furnishing or provision of gas or electric commodity to residential customers; provided, however, that the term does not include any municipality that is exempt from commission regulation by virtue of section 1005(5)(g) of the Public Authorities Law.

(ii) The term distribution utility means any utility that is authorized under any general or special law, or any charter or franchise, to lay down, erect or maintain pipes, conduits, ducts, mains, poles or other gas or electricity distributing fixtures, in, on, over,
or under streets, highways, or public places; provided, however, that the term does not include any municipality that is exempt from commission regulation by virtue of section 1005(5)(g) of the Public Authorities Law;

(iii) The term ESCO means an entity eligible to sell electricity and/or natural gas to end-use customers using the transmission or distribution system of a utility.

(iv) The terms teminate or termination mean ending an ESCO's provision of commodity service.

(v) The terms disconnect or disconnection mean ending distribution service (alone or in combination with commodity service) by and solely at the behest of the utility providing such service.

(vi) The terms suspend or suspension mean a customer's loss of distribution service at the request of an ESCO.

(2) The term residential customer or current residential customer includes any person who, pursuant to an application for service or an agreement for the provision of commodity supply made by such person or a third party on his or her behalf, is supplied directly with all or any part of the gas, electric or steam service at a premises used in whole or in part as his or her residence where:

(i) the distribution utility's effective tariff specifies a residential rate for such service; provided, however, that no person who is supplied service to an entire multiple dwelling or for the common areas of a multiple dwelling as defined in the Multiple Dwelling Law or the Multiple Residence Law, shall be considered a residential customer solely because the distribution utility's effective tariff specifies a residential rate;

(ii) such service is primarily used for his or her residential purposes and the customer has so notified the utility;

(iii) the utility knows or reasonably should have known that any of such service is provided through a single meter to both units of a two-family dwelling, as defined in section 11.8 of this Part; or

(iv) such person was a residential customer, as defined in the preceding subparagraphs of the same distribution utility within 60 days of making the request, was not terminated, disconnected or suspended for nonpayment, meter-tampering or theft of services, and has moved to a different dwelling within the distribution utility's service territory so long as such person remains a residential customer as defined in the preceding subparagraphs.

(3) The term applicant, when used in this Part, shall include any person who requests all or any part of gas, electric or steam service at a premises to be used as his or her residence or the residence of a third party on whose behalf the person is requesting service, where:

(i) the distribution utility's effective tariff specifies a residential rate for such service; provided, however, that no person who requests service to an entire multiple dwelling or for the common areas of a multiple dwelling as defined in the Multiple Dwelling Law or the Multiple Residence Law, shall be considered a residential applicant solely because the distribution utility's tariff specifies a residential rate;

(ii) such service will primarily be used for the resident's residential purposes and the applicant has so notified the utility; or

(iii) the utility knows or reasonably should know that any of such service will be provided through a single meter to both units of a
two-family dwelling, as defined in section 11.8 of this Part.

(b) Nothing in this Part shall modify the commission's rules or orders applicable to the provision of gas, electric or steam service to nonresidential customers.

11.3 Applications for residential service.

(a) Extension of service. (1) Consistent with the provisions of paragraphs (2)-(4) of this subdivision, every distribution utility shall provide residential service to an applicant upon his or her oral or written request.

(2) A distribution utility shall not be obligated to provide service to an applicant who owes the distribution utility money for residential service provided to a prior account in his or her name unless:

(i) the applicant makes full payment for residential service provided to any such prior account in his or her name;

(ii) the applicant agrees to make payments under a deferred payment plan of any amounts due for service to a prior account in his or her name, pursuant to section 11.10 of this Part;

(iii) the applicant has pending a billing dispute pursuant to section 11.20 of this Part with respect to any amounts due for service to a prior account in his or her name and has paid any amounts required to be paid pursuant to those provisions;

(iv) the applicant is a recipient of or an applicant for public assistance, supplemental security income benefits or additional State payments pursuant to the Social Services Law, and the distribution utility receives from an official of the social services district in which the applicant resides, or is notified by such an official that it is entitled to receive, payment for services due to a prior account in the applicant's name together with a guarantee of future payments to the extent authorized by the Social Services Law; or

(v) the commission or its authorized designee directs the provision of service.

(3) A distribution utility shall not be obligated to provide service to an applicant for seasonal or short-term service who fails to post a lawfully required deposit.

(4) A distribution utility shall be obligated to provide service to any applicant who meets the requirements of paragraphs (1) and (2) of this subdivision within five business days of receipt of a completed oral or written application for service, or such later time as may be specified by the applicant, except:

(i) where prevented by labor strikes or precluded by law;

(ii) where precluded by consideration of public safety;

(iii) where the applicant fails to pay or agree in writing to pay the material and installation costs relating to line extensions as required by Parts 98 and 230 of this Title, or otherwise fails to comply with any applicable requirements of Parts 99, 100, 103 and 233 of this Title, and the commission's minimum insulation standards for gas-heating customers contained in Op. No. 77-10 as described in section 10.3 of this Title (17 NY PSC 546; 17 NY PSC 861); or

(iv) where precluded by physical impediments including:

(a) adverse weather conditions;

(b) inability to gain access to premises in the possession of the applicant or others;

(c) incomplete construction of necessary facilities by the applicant
or inspection thereof by the appropriate authorities; or
(d) incomplete construction of necessary facilities by the
distribution utility.

The distribution utility shall make reasonable efforts to eliminate
conditions preventing extension of service and shall pursue completion
of any facilities it must construct with due diligence.

(v) An oral application for service shall be deemed completed when an
applicant who meets the requirements of paragraphs (1)-(3) of this
subdivision provides his or her name, address, telephone number and
address of prior account (if any) or prior account number (if any). A
distribution utility may establish non-discriminatory procedures to
require an applicant to provide reasonable proof of the applicant's
identity. Service may be denied to applicants who fail to provide
reasonable proof of identity. A distribution utility may require an
applicant to complete a written application if:
(a) there are arrears at the premises to be served and service was
terminated, disconnected or suspended for nonpayment or is subject to a
final notice of termination, disconnection or suspension;
(b) there is evidence of meter tampering or theft of service;
(c) the meter has advanced and there is no customer of record; or
(d) the application is made by a third party on behalf of the
person(s) who would receive service.
A written application may require the submission of information required
in an oral application, and reasonable proof of the applicant's
responsibility for service at the premises to be supplied. A
distribution utility requiring a written application shall so notify an
applicant as soon as practicable after the request for service is made,
and in no event more than two business days after such request, and
shall state the basis for requiring a written application. A written
application containing the required information shall be deemed
completed when received by the distribution utility.

Comment: When a written application is permitted, a distribution
utility may require the applicant to provide a copy of a lease (if one
exists), deed, bill of sale or other documentation to show the date the
applicant became responsible for service. A distribution utility must
make a diligent effort to notify promptly an applicant who will be
required to submit a written application. If a distribution utility is
unable to contact the applicant orally, it must, not later than the
second business day after the request for service is received, send a
written notice to the applicant.

(5) Subject to the requirements of paragraph (4) of this subdivision,
whenever a residential customer moves to a different dwelling within the
service territory of the same distribution utility and for which the
distribution utility's tariff specifies a residential rate, and requests
distribution utility service within 60 days, he or she shall be eligible
to receive service at the different dwelling, and such service shall be
considered a continuation of service in all respects, with any deferred
payment agreement honored, and with all rights; provided, however, that
such customer's prior service was not terminated, disconnected or
suspended for nonpayment, meter-tampering or theft of services.

(6) A distribution utility shall extend service to an applicant for
residential service whose application for service has previously been
denied within two business days (or such later time as may be specified
by the applicant) after the following events:
(i) elimination of all the conditions specified in paragraphs (2) -
(ii) by direction of the commission or its authorized designee, who
may require such extension of service to be made within 24 hours.

(b) Denial of application for service--notice. (1) As used in this
subdivision, the terms deny and denial shall mean any determination, by
a representative of a distribution utility in response to an application
for service, that service will not be initiated as requested. An
application for service not approved within three business days shall be
deemed denied.

(2) No distribution utility shall deny an application for service
without sending to the applicant, within three business days of receipt
of the application for service, written notice which:

(i) states the reasons for the denial;

(ii) specifies precisely what the applicant must do to qualify for
service; and

(iii) advises the applicant of the right to an investigation and
review of the denial by the commission or its authorized designees if
the applicant considers the denial to be without justification. The
distribution utility shall advise the applicant of the appropriate
address and telephone number of the commission, including the
commission's hot-line number and the times of its availability.

(3) The notice required by paragraph (2) of this subdivision shall be
in writing and shall be either served personally upon the applicant or
mailed to the applicant at his or her current address unless a different
address is specified. When the written notice is given by mail, the
distribution utility shall make a reasonable effort to provide immediate
notice orally.

(4) Every distribution utility shall maintain, for a period not less
than one year, records of oral or written requests for service that are
denied, including the name and address of the applicant, the date of the
application and the utility representative(s) who denied it.

(c) Penalty. A distribution utility failing to initiate service within
the time required by this section shall forfeit and pay to the applicant
the sum of $25 per day for each day that service is not supplied unless
the commission finds that the distribution utility had good cause for
not initiating service in the required time.

11.4 Termination or disconnection of residential service, and
suspension of distribution service pursuant to Public Service Law,
section 32(5).

(a) Termination or disconnection of residential service. This
subdivision sets forth termination and disconnection procedures
applicable where a utility provides only distribution service and seeks
to terminate the distribution service, the utility provides both
distribution service and commodity supply and seeks to terminate them
both or an ESCO seeks to terminate commodity supply. Where an ESCO seeks
suspension of a residential customer's distribution service due to the
customer's non-payment of the commodity portion of a consolidated bill,
subdivision (b) of this section also applies.

(1) Conditions for termination or disconnection. A utility may
terminate or disconnect residential service as provided for in these
rules if the customer:

(i) fails to pay charges for services rendered at any time during the
preceding 12 months; provided, however, that termination or disconnection of service for bills due for service rendered during periods in excess of the 12-month period is permitted in cases involving billing disputes during the 12-month period, estimated bills, the culpable conduct of the customer or excusable utility delays; and provided further, that the utility shall commence any such billing not more than four months after the resolution of the billing dispute, the adjustment to estimated bills, or the cessation of excusable utility delays or delays caused by the customer's culpable conduct; or

(ii) fails to pay amounts due under a deferred payment agreement;

(iii) fails to pay or agree in writing to pay equipment and installation charges relating to the initiation of service; or

(iv) fails to pay a lawfully required deposit; and

(v) is sent a final notice of termination or disconnection no less than 15 days before the termination or disconnection date shown on the notice.

(2) Final notice. A final notice of termination or disconnection shall clearly state or include:

(i) the earliest date on which termination or disconnection may occur;

(ii) the reasons for termination or disconnection, including the total amount required to be paid, and the manner in which termination or disconnection may be avoided;

(iii) the address and phone number of the office of the utility that the customer may contact in reference to his account;

(iv) the availability of utility procedures for handling complaints; and

(v) a summary, prepared or approved by the commission or its authorized designee, of the protections available under this Part, together with a notice that any customer eligible for such protections should contact the utility.

The final notice of termination or disconnection may include any additional information not inconsistent with this Part. The final notice of termination from an ESCO, however, shall inform the customer that suspension of the customer's distribution service can accompany the ESCO's commodity termination, even if the customer's account for distribution service is current. In addition, the notice shall have printed on its face, in a size type capable of attracting immediate attention, language conveying the following:

THIS IS A FINAL TERMINATION NOTICE. PLEASE REFER TO THIS NOTICE WHEN PAYING THIS BILL.

OR

THIS IS A FINAL DISCONNECTION NOTICE. PLEASE REFER TO THIS NOTICE WHEN PAYING THIS BILL.

(3) Notice of termination or disconnection--time. (i) No utility shall terminate or disconnect service under this Part until at least 15 days after a final notice of termination or disconnection:

(a) has been served personally upon the residential customer; or

(b) has been mailed to the residential customer at the premises where service is rendered.

(ii) If an alternative address for mailing purposes has been previously provided in writing to a utility, no utility shall terminate or disconnect service under this Part until at least 15 calendar days after a final notice of termination or disconnection:

(a) has been mailed to the premises where service is rendered and to
the residential customer at the alternative address; or

(b) has been mailed to the residential customer at the alternative address, and according to procedures filed by the utility with the Office of Consumer Services, either:

(1) has been served personally upon an adult resident of the premises where service is rendered;

(2) has been explained by telephone to an adult resident of the premises where service is rendered; or

(3) has been posted in a conspicuous place at the premises where service is rendered.

(iii) A utility may not issue or send a final notice of termination or disconnection unless at least 20 days have elapsed from the date payment was due. A utility may specify the date payment is due, provided that such date does not occur before personal service of the bill or three days after the mailing of the bill.

(4) Termination or disconnection of service—time. A utility complying with the conditions set forth in this section may terminate or disconnect service to a residential customer for nonpayment of bills only between the hours of 8 a.m. and 4 p.m., Monday through Thursday, provided such day or the following day is not:

(i) a public holiday, as defined in the General Construction Law; or

(ii) a day on which the main business office of the utility is closed for business. No utility shall terminate or disconnect service to any residential customer for nonpayment of bills during a two-week period encompassing Christmas and New Year's Day.

(5) No termination or disconnection without verification of delinquent account.

(i) No utility shall terminate or disconnect service for nonpayment of bills rendered, unless:

(a) it shall have verified that payment has not been received at any office of the utility or at any office of an authorized collection agent through the end of the notice period required by this Part; and

(b) it shall have verified on the day termination or disconnection occurs that payment has not been posted to the customer's account as of the opening of business on that day, or shall have complied with procedures established pursuant to subparagraph (6)(ii) of this subdivision.

(ii) In the case of a utility which serves a geographic area of this State involving more than six counties the commission may grant a waiver of the requirements of subparagraph (i) of this paragraph upon approval by the commission of an alternate procedure for verification of payments which accomplishes the basic purposes of such paragraph.

(6) Rapid posting of payments in response to notices of termination or disconnection. Every utility shall take reasonable steps to establish procedures to ensure that any payments made in response to final notices of termination or disconnection, when the customer brings the fact that such a notice has been issued to the attention of the utility or its collection agents:

(i) are posted to the customer's account on the day payment is received; or

(ii) are processed in some manner so that termination or disconnection will not occur.

(7) Payment to utility personnel. If a residential customer offers payment of the full amount that forms the basis for a scheduled
termination or disconnection at the time of termination or disconnection, the utility's representative shall be obliged to accept such payment and shall not terminate or disconnect service. Whenever such payment is made, the utility representative shall provide the customer a receipt showing the date, account, name, address and amount received.

(8) No additional notice required when payment by check is subsequently dishonored. Receipt of a subsequently dishonored negotiable instrument in response to a notice of termination or disconnection or tendered to a utility representative shall not constitute payment of a residential customer's account and no utility shall be required to issue additional notice prior to termination or disconnection.

(9) Special notification of social services official. (i) After a utility has sent a final notice of termination or disconnection to a residential customer who it knows is receiving public assistance, supplemental security income benefits or additional State payments pursuant to the Social Services Law, and for whom the utility has not received a guarantee of future payment from the local social services commissioner, it shall, not more than five days nor less than three days before the intended termination or disconnection, notify an appropriate official of the local social services district that payment for utility services has not been made. Such notification shall state that the customer has been sent a final notice of termination or disconnection, specify the amount of arrears, and state the earliest date on which termination or disconnection may occur.

(ii) In the case of a customer for whom the utility has received a guarantee of future payment from the local social services commissioner, the utility shall send a notice of nonpayment stating that payment has not been made and indicating the amount of the arrears to the recipient and to the local social services commissioner at the time the account would otherwise be subject to a final notice of termination or disconnection.

(iii) If the notification required by subparagraph (i) of this paragraph is made orally, the utility shall within one business day mail a written notification to such social services official.

(iv) Each utility shall, after consultation with an appropriate official in the social services district of each county served by the utility in whole or in part, compile and maintain a list of the social services officials who are to receive such notifications.

(v) A utility may notify an appropriate social services official that a customer it knows is receiving public assistance, supplemental security income benefits or additional State payments has failed to make timely payment for utility service, whenever it believes special circumstances affecting such customer should be brought to the immediate attention of the social services official. Such notification shall describe the special circumstances observed, specify the amount of arrears, and state the scheduled date of termination or disconnection, if one has been set.

(b) Suspension of distribution service pursuant to Public Service Law, section 32(5). This subdivision sets forth procedures applicable where an ESCO seeks suspension of a residential customer's distribution service due to the customer's non-payment of the commodity portion of a consolidated bill. Suspension pursuant to Public Service Law, section 32(5) of a residential customer's distribution service and any related
services provided by the distribution utility shall be limited to only such distribution service that is used to distribute (or is related to) the commodity that is or was supplied by the requesting ESCO and for which the customer is in arrears.

(1) When requested by an ESCO, a distribution utility shall suspend its distribution service and any other related services the distribution utility may provide to a residential customer or multiple dwelling or two-family dwelling, if:
(i) the ESCO that was providing commodity supply to such customer has terminated the customer's commodity supply in compliance with all applicable provisions of subdivision (a) of this section;
(ii) the ESCO that was providing commodity supply to such customer notifies the distribution utility that commodity supply has been terminated in compliance with subdivision (a) of this section;
(iii) the ESCO's notification to the distribution utility demonstrates compliance with subdivision (a) of this section (such demonstration shall include, but not be limited to, providing a copy of the termination notice, proof that the termination notice was timely sent and was received by the customer or the customer's representative, and proof that termination took place at a permissible time, as specified in paragraph [a][4] of this section);
(iv) except in the case of a service to a multiple dwelling pursuant to section 33 of the Public Service Law, the ESCO demonstrates that such customer was billed using a consolidated bill;
(v) the distribution utility provided distribution service to the customer at the time the ESCO terminated its commodity supply;
(vi) the ESCO confirms that it is able to and will take all actions within its control necessary to restore commodity supply to such customer in accordance with the agreement for such service between the ESCO and the customer, if the customer makes full payment of the arrears that were the basis for the termination of commodity supply;
(vii) the ESCO has not assigned its right to obtain payment of the arrears to an entity that is not a utility for purposes of article 2 of the Public Service Law; and
(viii) less than one year has elapsed since the commodity supply was terminated.

(2) The final notice of suspension from or on behalf of an ESCO shall inform the customer that suspension of the customer's distribution service can accompany the ESCO's commodity termination, even if the customer's account for distribution service is current, and shall state the amounts which must be paid to:
(i) restore commodity supply; and
(ii) if different, to end suspension of distribution service.

(3) The distribution utility shall make its best efforts to institute such suspension of distribution service promptly, consistent with applicable commission policies and practices, and shall receive reasonable compensation from the ESCO, as determined by the commission, for any costs associated with such suspension of distribution service.

Comment: Distribution utilities are not required to duplicate all HEFPA procedures, such as suspension notices, negotiations of deferred payment agreements or other related tasks, when effectuating an ESCO-initiated suspension of service; however, the distribution utility must (1) determine whether the customer or a resident at the customer's premises qualifies for special protections under Public Service Law,
section 32(3) and section 11.5 of this Part and (2) collect from the customer, if possible, at the time of suspension, the amount necessary to avoid suspension. An ESCO requesting suspension more than 60 days from the date of its original suspension notice to the customer or when suspension does not occur within 60 days from the date of the suspension notice to the customer, must send another customer suspension notice containing updated payment information or it must inform the distribution utility that it no longer seeks to suspend service. Further, when the ESCO seeks suspension of distribution service, two notices are required: (1) a notice to the customer stating that its service is subject to suspension after 15 days, the amount to be paid to avoid suspension, the amount to be paid to resume service after suspension and, if different, the amount necessary to end suspension; and (2) a notice to the utility requesting suspension of the customer's distribution service and certifying that the provisions of Public Service Law, section 32(5)(a) have been satisfied.

11.5 Residential service--special procedures.
This section provides special protections for specified residential customers regarding the termination, disconnection or suspension and restoration of utility service in cases involving medical emergencies, the elderly, blind or disabled, and terminations, disconnections or suspensions during periods of cold weather. This section applies to all or any part of residential utility service, regardless of the type of provider.

(a) Medical emergencies. (1) No utility shall terminate, disconnect or suspend or refuse to restore service when a medical emergency, as certified by a medical doctor or local board of health, exists; provided, however, that a demonstration of the customer's inability to pay charges for service shall be required before a certificate of medical emergency can be renewed.

(2) A medical emergency exists when a resident of a customer's residence suffers from a serious illness or a medical condition that severely affects his well-being. An inability to pay charges for service is demonstrated when a customer is unable to pay past due and current utility bills because of insufficient liquid assets and current income, considering other necessary and reasonable expenses of the customer such as food, shelter and medical expenses as documented by provision of the information required in the form set forth in Appendix A-3 of this Title, or such other form approved by the commission.

(3) Certification. An initial certification of a medical emergency by a medical doctor or local board of health may be made by telephone and shall remain effective if written certification is provided thereafter to the utility within five business days. If written certification of a medical emergency is provided to a utility that uses or appears on a consolidated bill, that utility shall notify any other utility that uses or appears on the consolidated bill immediately upon receiving such certification. Any certification of a medical emergency shall be submitted on stationery of the medical doctor or local board of health, shall be signed by the medical doctor or an official of the local board of health qualified to make a medical judgment and shall state the name and address of the certifying medical doctor or local board of health, the doctor's State registration number, the name and address of the seriously ill person, the nature of the serious illness or medical
condition and an affirmation that the illness or condition exists or will be aggravated by the absence of utility service. The certificate shall be effective for 30 days from the time the utility receives an oral or written certification, whichever occurs earlier. In deciding whether the conditions for a medical emergency are met, the medical doctor or qualified official of the local board of health should use his or her best medical judgment. A utility receiving an initial certificate shall promptly so notify the customer in writing and shall provide information on renewal of certificates, including the form set forth in Appendix A-3, infra, or such other form approved by the commission.

(4) Certificate renewal. If the medical condition is likely to continue beyond the expiration of an initial certification, a certificate may be renewed, provided:

(i) a medical doctor or qualified official of the local board of health states in writing to the utility the expected duration of the medical emergency and explains either the nature of the medical emergency or the reason why the absence of utility service would aggravate the medical emergency; and

(ii) the customer demonstrates an inability to pay charges for service.

A customer shall, before the expiration of the initial certification, submit to the utility, the information required in the form set forth in Appendix A-3, infra, or such other form approved by the commission, for the purpose of demonstrating an inability to pay charges for service. A distribution utility shall, within five days of submission of such information, determine whether the customer's liquid assets and current income are insufficient to pay utility bills, considering other necessary and reasonable expenses of the customer such as food, shelter and medical expenses. Whenever a distribution utility determines that a customer has not demonstrated a financial hardship, it shall provide the customer with written notice of the determination and the customer's right to a review of the determination by the commission or its authorized designee. A distribution utility shall stay any disconnection or suspension activity pending its determination on the customer's ability to pay and any review of such determination by the commission or its authorized designee. A renewed certificate shall remain in effect for 30 days, provided that in cases certified as chronic by a medical doctor or qualified official of the local board of health, the renewed certificate shall remain in effect for 60 days or such longer period as may be approved by the commission or its designee. The statement of financial hardship shall be completed and submitted to the distribution utility whenever a certificate is renewed.

(5) Special rule for life support systems. If a customer or a resident of the customer's premises suffers from a medical condition requiring utility service to operate a life-sustaining device, such as an iron lung or a dialysis machine, certification by a medical doctor or qualified official of a local board of health shall remain effective until terminated by the commission or its designee, provided the residential customer demonstrates an inability to pay charges for service providing the information required by Appendix A-3, infra, or such other form approved by the commission, on not less than a quarterly basis. Every utility shall maintain a special file on such residential customers and an appropriate identification on the meters of such customers for the purpose of ensuring that utility service is provided
as long as the medical emergency and customer inability to pay continue, as determined by the commission. In addition to other applicable requirements, a utility shall provide 15 days' written notice to the commission before terminating, disconnecting or suspending service to any such customer.

(6) No utility shall terminate, disconnect or suspend service to a residential customer after the expiration of a certification of medical emergency or after the utility determines that the customer has an ability to pay charges for service without first sending the customer a final notice of termination, or disconnection or suspension 15 days prior to the date of termination, disconnection or suspension.

(7) While certification of medical emergencies remain in effect, customers shall remain liable for payment of utility service and shall make reasonable efforts to pay charges for such service. The authorized designees of the commission shall be available to offer assistance to utilities and customers for working out equitable payment arrangements in order to avoid substantial arrearages at the end of a medical emergency.

(b) Customers who are elderly, blind or disabled. (1) No utility shall terminate, disconnect or suspend or refuse to restore service where a residential customer is known to or identified to the utility to be blind, disabled, or 62 years of age or older, and all the remaining residents of the household are 62 years of age or older, 18 years of age or under, or blind or disabled, without complying with the procedures specified in this subdivision. A person shall be considered disabled if the person has a disability, as that term is defined in the Human Rights Act (Executive Law, § 292(21)). A person shall be considered blind if the person has central visual acuity of 20/200 or less in the better eye with the use of a correcting lens. An eye which is accompanied by a limitation in the fields of vision such that the widest diameter of the visual field subtends an angle no greater than 20 degrees shall be considered as having a central visual acuity of 20/200 or less.

(2) In such cases, a utility shall make a diligent effort to contact by telephone, or in person if telephone contact is unsuccessful, an adult resident at the customer's premises at least 72 hours prior to termination, disconnection or suspension of service for the purpose of devising a plan that would preclude termination, disconnection or suspension and arrange for payment of bills. The plan may include a deferred payment agreement, and payment or a guarantee of payment by any governmental, social welfare agency or private organization. Where a utility and such customer are unable to devise a plan after such contact, the utility shall notify the local department of social services of the name and address of the customer and the date of termination, disconnection or suspension in order that social services may help to develop a plan for such customers. The utility shall continue to provide service for not less than 15 business days from the time it makes the referral, unless notified by the local department of social services that acceptable payment or other arrangements have been made. In any such case, the customer may seek the assistance of the commission's authorized designees in developing such a plan.

(3) In cases where service has been terminated, disconnected or suspended and the utility is subsequently notified by the customer or a third party on his or her behalf that he or she would be entitled to the protections established under this subdivision, the utility shall within
24 hours of such notification make a diligent effort to contact by telephone or in person an adult resident at the customer's premises for the purpose of devising a plan, as set forth in paragraph (2) of this subdivision, that would restore service and arrange for payment of bills. A utility unable to contact such person within 24 hours shall make reasonable effort to achieve contact as soon as practicable. Where a utility and such customer are unable to devise such a plan, the utility shall notify the local department of social services of the name and address of the customer and the date of termination, disconnection or suspension in order that social services may help to develop a plan for protecting such customer.

(4) In cases where a utility has terminated, disconnected or suspended service in compliance with the provisions of paragraph (2) of this subdivision, it shall within 10 days following termination, disconnection or suspension make a diligent effort to contact, by telephone or in person, an adult resident at the customer's premises for the purpose of determining whether alternative arrangements have been made for the provision of utility service and, if none have been made, attempt to devise a plan that would restore service and arrange for payment of bills.

(c) Special procedures during cold weather periods. (1) Every utility shall develop and maintain methods to identify all residential households in its service territory whose utility service is heat-related. As used in this subdivision, heat-related service means utility service provided under a rate classification applicable to residential space heating or utility service necessary to start or operate the primary heating system. Heat-related service shall also include a safe, supplemental electrical heating device, provided the residential customer has informed the utility within the last 12 months in writing that such device is needed because inadequate heat is provided by a third party who controls the primary heating system. In other respects, the residential households covered by this subdivision do not include the dwelling units covered by sections 33 and 34 of the Public Service Law and sections 11.7 and 11.8 of this Part (i.e., multiple dwellings and residences, and two-family houses) where payment for heat-related service is not the responsibility of the residential customer.

(2) During the period beginning November 1st of each year and ending April 15th of the following year, every utility shall observe, at a minimum, the following procedures with respect to residential customers receiving heat-related utility service:

(i) A utility shall attempt to contact, by telephone or in person, the customer or an adult resident of the customer's premises at least 72 hours before the intended termination, disconnection or suspension, for the purpose of ascertaining whether a resident is likely to suffer a serious impairment to health or safety as a result of termination, disconnection or suspension. At a minimum, a utility shall attempt to make such contact with the customer or other adult resident by telephone (if the customer has one) once during normal business hours, and if unsuccessful, during reasonable nonbusiness hours (6 p.m.-9 p.m. on weekdays or 9 a.m.-5 p.m. on Saturdays and Sundays), and if both telephone contacts are unsuccessful or the customer does not have a telephone, by an on site personal visit. At the time of termination, disconnection or suspension, a utility shall also attempt to contact, in
person, the customer or other adult resident for the purpose of ascertaining whether a resident is likely to suffer a serious impairment to health or safety as a result of termination, disconnection or suspension. During such contacts, the utility's representatives shall fully explain the reasons for termination, disconnection or suspension and provide customers with information on the protections available under this Part. If communication with the person contacted is not possible because of an apparent language barrier, the utility shall take steps to assure communication before termination, disconnection or suspension.

(ii) No utility shall terminate, disconnect or suspend heat-related service for nonpayment where the utility ascertains that a resident is likely to suffer a serious impairment to human health or safety as a result of termination, disconnection or suspension, unless it has complied with subparagraph (i) of this paragraph and:

(a) the utility notifies the local social services commissioner orally and within five days in writing, on forms prescribed or accepted by the commission, that a resident is likely to suffer a serious impairment to health or safety as a result of termination, disconnection or suspension; and

(b) the local social services commissioner, after an investigation, informs the utility that the reported condition is not likely to result in a serious impairment to health or safety, or that an alternative means for protecting the person's health or safety has been devised.

During any such continuation of service, customers shall remain liable for payment of utility service and shall make reasonable efforts to pay charges for such service. A utility notifying the local social services commission shall so inform the customer and shall explain the purpose of the referral. A utility may exercise its discretion with respect to terminating, disconnecting or suspending service to the customer in the event it does not receive an oral or written report from the local social services commissioner within 15 business days after the written referral of the matter by the utility to the commissioner.

(iii) For the purposes of this section, a person is likely to suffer a serious impairment to health or safety if the person appears to be seriously impaired and may, because of mental or physical problems, be unable to manage his or her own resources, carry out activities of daily living or protect oneself from neglect or hazardous situations without assistance from others. Indications of serious impairments include, but are not limited to:

(a) age, infirmity or mental incapacitation;

(b) use of life support systems, such as dialysis machines or iron lungs;

(c) serious illness;

(d) physical disability or blindness, as such terms are used in subdivision (b) of this section; and

(e) any other factual circumstances which indicate severe or hazardous health situations.

The above criteria are general standards and the utility's field personnel must be trained to exercise discretion, sound judgment and common sense in ascertaining whether a serious impairment to health or safety is likely to result.

(iv) If a utility terminates, disconnects or suspends service to a customer, and the customer or a resident 18 years or older was not
personally contacted by the utility before termination, disconnection or suspension of service and the customer has not contacted the utility for the purpose of requesting reconnection before 12 noon on the day following termination, disconnection or suspension of service, the utility shall immediately attempt to determine, by on site inspection, direct personal contact at the premises with the residential customer or other adult resident, or other reasonable measures, whether there is continuing occupancy and whether a serious impairment to health or safety is likely to result. If the utility determines that a serious impairment would result, it shall immediately restore service and comply with the requirements of subparagraph (iii) of this paragraph. If the utility is unable to obtain personal contact with the customer or an adult resident, and does not have reasonable grounds to believe that the customer has vacated the premises, it shall immediately refer the name and address of the customer to the local commissioner of social services, in accordance with the procedures set forth in subparagraph (iii) of this paragraph.

(v) Every utility shall designate an employee(s) to serve as a liaison with local social services departments.

(vi) Every utility shall file with the commission for its review the procedures to be followed by the utility's personnel in complying with these special procedures.

(3) If a utility decides to terminate, disconnect or suspend service to a residential customer because of a potential health or safety problem where the meter or service laterals have been tampered with or a theft of service has occurred, it shall determine, according to the procedures set forth in subparagraphs (2)(i) and (iii) of this subdivision, whether a resident is likely to suffer a serious impairment to health or safety as a result of termination, disconnection or suspension. If the utility ascertains that a resident is likely to suffer a serious impairment, it shall observe the procedures set forth in subparagraphs (2)(ii) and (iv) of this subdivision; provided, however, that the requirement of continued service shall not apply in the event it is impractical for the utility to eliminate an unsafe condition. In any cases where a resident is likely to suffer a serious impairment and the utility terminates, disconnects or suspends service to preclude the continuation of an unsafe condition, it shall specially notify the local social services commissioner on the same day service is terminated, disconnected or suspended and request an immediate consideration of the case.

Comment: If a distribution utility discovers a meter-tampering or theft situation and determines that a resident is likely to suffer a serious impairment, it should continue service, pending review by the official or agency designated by the Social Services Law, provided that service can be rendered safely. For example, if a distribution utility discovers that the meter of a locked account is advancing, it should, in most circumstances, be able to continue service in a safe manner. In other theft cases, particularly those involving gas service, the need for rendering the condition safe may preclude the continuation of service. For example, if a gas distribution utility discovers unsafe piping, an unsafe meter bypass or substantial damage to the meter, disconnection may be the best method of eliminating the unsafe condition. If the distribution utility cannot readily repair the unsafe condition or, in the case of a gas company, cannot obtain access to the
pilot lights (which would have to be relit), immediate restoration of service would not be practical. The distribution utility should specifically note, in its referrals pursuant to Social Services Law, those cases where heat-related service is not restored or continued so that the official or agency designated by the Social Services Law may give immediate attention to them.

(4) Not earlier than September first nor later than November first of each year, every distribution utility shall conduct a survey of all former residential customers, including qualifying supplemental heating customers whose utility service is heat-related and was disconnected or suspended during the 12-month period ending on November first of that year, and has not been restored, except for abandoned buildings and customer-requested turnoffs. The purpose of the survey is to determine whether the former customer or other resident is likely to suffer a serious impairment to health or safety from a continued lack of service. If the distribution utility determines that a former customer or other resident is likely to suffer a serious impairment, it shall restore service immediately and comply with the requirements of subparagraphs (2)(ii) and (iii) of this subdivision, unless the customer refuses to permit service restoration or, in theft or tampering situations, unless it is impractical for the distribution utility to eliminate an unsafe condition. If the distribution utility is unable to obtain personal contact with the customer or an adult resident, or the customer refuses service restoration, it shall immediately refer the name and address of the former customer to the local commissioner of social services in accordance with the procedures set forth in subparagraph (2)(ii) of this subdivision, unless the distribution utility has reasonable grounds to believe that the former customer has permanently vacated the premises.

(5) Special rule for customers threatened by neglect or hazardous situations. During the cold weather period defined above, every utility shall continue utility service as prescribed herein to a residential customer where a serious impairment to health or safety is likely to result from termination, disconnection or suspension of service and the customer is unable because of mental or physical problems to manage his or her own resources or to protect himself or herself from neglect or hazardous situations without the assistance of others. Every utility shall provide the protections set forth in this paragraph to a residential customer who is identified as likely to suffer a serious impairment, as described in this subdivision, in a response to the annual notification of rights required under section 11.17 of this Part; by a local social services office, office for the aging, board of health, or other responsible agency or person; or by any utility personnel. In such situations, the utility shall transmit an oral or written notification to the local social services commissioner that explains fully the nature of the serious impairment to health or safety, including the basis for the determination that the customer is unable to protect himself or herself from neglect or hazardous situations without assistance from others. The utility shall continue service to such customer for a period not less than 15 business days from the date of the oral or written referral, unless notified by the social services office that acceptable payment or other arrangements have been made. Doubts shall be resolved in favor of continued service. During any such continuation of service, customers shall remain liable for payment of utility service and shall make reasonable efforts to pay charges for
11.6 Voluntary third-party notice.

Every utility shall permit a residential customer to designate a third party to receive all notifications relating to termination, disconnection or suspension of service or other credit actions sent to such residential customer, provided that the designated third party agrees in writing to receive such notices. The utility shall inform the third party that the authorization to receive such notices does not constitute acceptance of any liability on the third party for service provided to the customer. The utility shall promptly notify the residential customer of the refusal or cancellation of such authorization by the third party.

11.7 Service to entire multiple dwellings.

(a) No utility shall terminate, disconnect or suspend service to an entire dwelling (as defined in the Multiple Dwelling Law or the Multiple Residence Law) where the owner, person, firm or corporation to whom or which the last preceding bill has been rendered, or from whom or which the utility has received payment therefor, has failed to pay such utility bills, until it has complied with the following procedures:

(1) The utility shall give 15 days' written notice of its intention to so terminate, disconnect or suspend by personally serving such notice on the owner of the premises affected or on the person, firm or corporation to whom or which the last preceding bill was rendered, or from whom or which the utility has received payment therefor, and on the superintendent or other person in charge of the building, if it can be readily ascertained that there is such superintendent or other person in charge.

(2) The utility shall give 18 days' written notice to the owner, person, firm or corporation specified in paragraph (1) of this subdivision if such notice is mailed in a postpaid wrapper to the address of such person, firm or corporation.

(3) In addition to the notice prescribed by paragraphs (1) and (2) of this subdivision, 15 days' written notice shall be posted in the public areas of such multiple dwelling, and 18 days' notice shall be mailed to the occupant of each unit in that multiple dwelling, to the local health officer and director of the social services district for the political subdivision in which the multiple dwelling is located; if the multiple dwelling is located in a city or village, to the mayor thereof; or if there be none, to the manager; or, if the multiple dwelling is located in a town, then to the town supervisor; and to the county executive of the county in which the multiple dwelling is located; or if there be none, then to the chairman of such county's legislative body; and, if the multiple dwelling is located in New York City, to the Department of Housing Preservation and Development. Notice to mayors, managers, town supervisors, county executives and chairmen of county legislatures may be mailed to the persons specified therein or to their designees. Notice to health officers, directors of social services, mayors, managers, supervisors, county executives and chairmen of county legislatures shall be repeated not more than four working days nor less than two working days prior to such termination, disconnection or suspension.

(4) During the cold weather period, defined in section 11.5(c)(2) of this Part, a utility intending to terminate, disconnect or suspend
heat-related service, as that term is defined in section 11.5(c)(1) of this Part, to an entire multiple dwelling shall provide the written notices required under paragraphs (1)-(3) of this subdivision not less than 30 days before the intended termination, disconnection or suspension.

(5) Whenever a notice of intention to terminate, disconnect or suspend service has been made pursuant to the provisions of this section and obligations owed the utility have been satisfied, the utility shall notify, in the same manner as it gave such notice of intention, the occupant of each unit that the intention to terminate, disconnect or suspend service no longer exists.

(b) Notwithstanding the provisions contained in subdivision (a) of this section, no utility shall terminate, disconnect or suspend service to a multiple dwelling, where the owner, person, firm or corporation responsible for making payment fails to pay utility bills, as long as occupants of such multiple dwellings continue to make timely payments for such service in accordance with procedures filed by the utility and approved by the Public Service Commission. All notices referred to in subdivision (a) of this section shall contain the intended date of discontinuance of service and a utility contact, including a telephone number, who will advise occupants of the amount due for service and who will arrange meetings with occupants to attempt to work out a mechanism for avoiding termination, disconnection or suspension of service in the event that the owner continues to fail to make requisite payments or arrangements for such payments. The notice shall inform occupants that they may seek the assistance of the commission or its authorized designee in negotiating an agreement with the utility to prevent termination, disconnection or suspension. The notice shall also refer to the provisions contained in subdivision (1) of section 235-a of the New York Real Property Law authorizing occupants to set off, against their rent, payments to utilities in such circumstances.

(c) A utility following the procedure outlined in subdivision (b) of this section, may require occupants in a multiple dwelling to pay no more than the current charges incurred by the owner, person, firm or corporation to whom or which the last preceding bill has been rendered or from whom or which the utility has received payment therefor. A current charge for purposes of this section means the amount properly billed the owner, etc., for utility service used during the most recent service billing period covered by the first bill rendered on or after the date when the termination, disconnection or suspension notice is issued. The current charges will not include any arrears for earlier billing periods that may appear on such a bill.

(d) If occupants in a multiple dwelling find they are unable to reach an agreement with the utility to avoid termination, disconnection or suspension of service, they may contact the authorized designees of the commission. After such a request is received, an authorized designee will attempt to work out such an agreement and will, if necessary, arrange a meeting with occupant representatives, the utility, and the owner, person, firm or corporation responsible for making payment for service; provided, however, that such a meeting will be required only if the authorized designee receives a written petition signed by at least 25 percent of the occupants in a multiple dwelling.

(e) The authorized designee may stay a threatened termination, disconnection or suspension of service to an entire multiple dwelling
where it concludes that good faith efforts are being made by the occupants to arrange for the payment of current bills.

(f) Section 11.4 (a) (4)-(8) of this Part shall be applicable with respect to the termination, disconnection or suspension of service to entire multiple dwellings.

(g) (1) Special rules for multiple dwellings in cities of more than one million people.

   (i) During the cold weather period, defined in paragraph (c)(2) of section 11.5 of this Part, a utility intending to terminate, disconnect or suspend heat-related service, as that term is defined in paragraph (c)(1) of section 11.5 of this Part to an entire multiple dwelling located in a city of more than one million people shall, not less than 10 days prior to the earliest date termination, disconnection or suspension may occur, provide each occupant with a written notice, prepared or approved as to substance by the Public Service Commission or its staff, advising that if any occupant in the apartment has a serious illness or medical condition that would result in a serious impairment to health or safety by the loss of heat service he should immediately contact the New York City Heatline. The notice shall provide the address and telephone number of the heatline. An approved form of the notice is contained in Appendix A-4, infra.

   (ii) Whenever, during the cold weather period, a utility is notified by the Human Resources Administration that a claim has been received that the loss of heat-related service is likely to result in a serious impairment to health or safety, it shall continue service to the building for a period not less than 15 business days from the date of the oral or written notification from the Human Resources Administration. A utility shall not thereafter terminate, disconnect or suspend heat-related service to the dwelling during the cold weather period unless it is informed by the Human Resources Administration that appropriate alternative arrangements to preclude a serious impairment to health or safety have been made or that the claim of serious impairment is without merit. A utility thereafter intending to terminate, disconnect or suspend service shall provide at least five days written notice to the occupants that heat-related service will be terminated, disconnected or suspended, and shall, if so notified by the Human Resources Administration, inform the individual of the finding of no serious impairment. Such notice shall state that any occupant may seek further review by the Public Service Commission.

   (iii) If a utility is notified by the Human Resources Administration that an occupant in a multiple dwelling where the heat-related service has been terminated, disconnected or suspended by the utility is likely to suffer a serious impairment to health or safety, it shall reconnect heat-related service and continue such service as provided for in subparagraph (ii) of this paragraph.

   (2) Special rules for multiple dwellings outside cities of more than one million people.

   (i) During the cold weather period, defined in paragraph (c)(2) of section 11.5 of this Part, a utility intending to terminate, disconnect or suspend heat-related service, as that term is defined in paragraph (c)(1) of section 11.5 of this Part, to an entire multiple dwelling located outside a city of more than one million people shall, not less than 10 days prior to the earliest date termination, disconnection or suspension may occur, provide each occupant with a written notice,
prepared or approved as to substance by the Public Service Commission or its staff, advising the occupant that if any occupant in his apartment has a serious illness or medical condition that is likely to result in a serious impairment to health or safety by the loss of heat service he should immediately contact the utility. The notice shall provide the name and telephone number of a utility contact person. An approved form of the notice is contained in Appendix A-5, infra. Whenever an occupant so notifies a utility, the utility shall forthwith conduct an on-site interview for the purpose of ascertaining whether the occupant is likely to suffer a serious impairment to health or safety. A utility shall refer cases of likely serious impairment to the local department of social services and request the agency to investigate the cases in accordance with established procedures.

(ii) A utility referring a likely impairment case to the Department of Social Services shall continue heat-related service to the multiple dwelling or otherwise provide heat to the person likely to suffer a serious impairment for at least 15 business days after the referral. A utility that has referred such a case shall not thereafter terminate, disconnect or suspend heat-related service to the dwelling during the cold weather period unless it otherwise provides heat to the person likely to suffer a serious impairment, or unless it is informed by the local department of social services that appropriate alternative arrangements to preclude a serious impairment to health or safety have been made or that the claim of serious impairment is without merit. A utility thereafter intending to terminate, disconnect or suspend service shall provide at least five days written notice to the occupants that heat-related service will be terminated, disconnected or suspended and shall, if so notified by the Department of Social Services, inform the individual of the finding of no serious impairment. Such notice shall state that any occupant may seek further review by the Public Service Commission.

(iii) If a utility is notified by the local department of social services that an occupant in a multiple dwelling where the heat-related service has been terminated, disconnected or suspended by the utility is likely to suffer a serious impairment to health or safety, it shall reconnect heat-related service, or otherwise provide heat to such person, and continue such service as provided for in subparagraph (ii) of this paragraph.

11.8 Service to two-family dwellings.
(a) For the purpose of this section, the term two-family dwelling shall mean a building designed and occupied pursuant to local building codes exclusively by two families living independently of each other, irrespective of whether the building receives a residential or commercial rate under the utility's tariff. If a utility knows that any utility service is provided to both units of a two-family dwelling through a single meter, the utility shall not terminate, disconnect or suspend such service unless the utility complies with the requirements of this section. A utility shall be deemed to know that a two-family building contains units that are not metered separately where it is notified by the customer, occupant or other person that the building is a two-family dwelling. Each utility shall keep a record of such two-family dwellings where service is not metered separately.

(b) The utility shall give 15 days' written notice of its intention to
terminate, disconnect or suspend service to a two-family dwelling that it knows contains units where service is not metered separately by mailing a copy of the notice to the owner of the premises or to the recipient of the last preceding service bill, mailing or otherwise delivering a copy of the notice to each occupied unit, and, unless precluded by physical circumstances, posting a copy of the notice in a conspicuous place at or within the dwelling.

(c) The notice shall provide the information required by section 11.4 (a)(2)(i)-(iv) of this Part, state that there are special protections for occupants of two-family dwellings where service is not metered separately, that the commission staff may be contacted for information and advice, and that subdivision (1) of section 235-a of the Real Property Law authorizes occupants to set off against their rents payments to utilities in such circumstances.

(d) Any occupant of a two-family dwelling that contains units where service is not metered separately may prevent termination, disconnection or suspension of service if:

(1) an occupant eligible for service under section 11.3 of this Part applies for and receives service, thereby making himself or herself liable for future payments, provided that such person is not an agent of the recipient of the last preceding service bill; or

(2) an occupant who chooses to pay current charges shall not be liable for any future bills rendered for utility service. In the event of such payment, the utility shall continue to render all bills to the customer of record with a copy to be sent to any occupant upon request. If billing for the service which is not metered separately is on a monthly basis, current charges shall be defined as an amount not to exceed that due for billed service provided during the two months preceding the termination, disconnection or suspension date set forth in the notice. If the billing for the service which is not metered separately is on a bimonthly basis, then current charges shall be defined as an amount not to exceed the most recent bill for service.

(e) The commission's authorized designees shall be available to advise occupants of two-family dwellings of the protections provided by this section.

(f) Whenever a final notice of termination, disconnection or suspension of utility service has been provided under this section and the past-due bills owed to a utility for service to a two-family dwelling in which service is provided through a single meter have been satisfied, the utility shall so notify the occupants of the dwelling by mailing or otherwise delivering such notice to the occupants of such dwelling or posting such notice in a conspicuous place at or within the dwelling.

(g) During the cold weather period, defined in section 11.5(c)(2) of this Part, a utility intending to terminate, disconnect or suspend heat-related service, as that term is defined in section 11.5(c)(1), to a two-family dwelling shall provide the written notices required under subdivisions (b) and (c) of this section not less than 30 days before the intended termination, disconnection or suspension.

(h) During the cold weather period defined in section 11.5(c)(2) of this Part, a utility intending to terminate, disconnect or suspend service to a two-family dwelling shall comply with either the requirements set forth in section 11.5(c) or in section 11.7(g) of this Part.
11.9 Reconnection of service, restoration of commodity supply, and conditions for ending suspension of distribution service.

(a) Reconnection of service. This section sets forth procedures applicable where: only distribution service was provided by a utility and was disconnected or distribution service and commodity supply were provided by and disconnected by the same utility.

(1) A utility shall reconnect disconnected residential service within 24 hours, unless prevented by circumstances beyond the utility's control or unless a customer requests otherwise, in the following situations:

(i) receipt by the utility of the full amount of arrears for which service was disconnected;

(ii) agreement by the utility and the customer on a deferred payment plan and the payment of a downpayment, if required, under that plan;

(iii) upon the direction of the commission or its designee;

(iv) upon the receipt by the utility of a commitment of a direct payment or written guarantee of payment from the social services official of the social services district in which the customer resides; or

(v) where a utility has notice that a serious impairment to health or safety is likely to result if service is not reconnected. Doubts as to whether reconnection of service is required for health or safety reasons shall be resolved in favor of reconnection.

Comment: A utility may not insist upon payment of lawful charges that did not provide the basis for disconnection before restoring service under this subdivision. Similarly, under subparagraph (ii) of this paragraph, a utility may not insist on a downpayment in excess of one half the arrears which formed the basis for the disconnection or three months' billing, whichever is less. In these circumstances, payment of other lawful charges that did not form the basis for disconnection should be part of the installment plan, unless the customer elects to pay such charge immediately.

(2) Whenever circumstances beyond the utility's control prevent reconnection of service within 24 hours of any of the events specified in paragraph (1) of this subdivision, service shall be reconnected within 24 hours after those circumstances cease to exist.

(3) Where any utility is required under these rules to reconnect service within 24 hours and fails or neglects to do so without good cause as determined by the commission or its designee, it shall forfeit to the customer the sum of $50 per day for each day or portion thereof that service is not supplied after the date that service should have been supplied, in cases involving medical emergencies (section 11.5(a) of this Part), the elderly, blind or disabled (section 11.5(b) of this Part), heat-related service during cold weather periods (section 11.5(c)(1), (2) and (3) of this Part), or in cases where the utility has notice that the failure to reconnect service is likely to result in a serious impairment to health or safety (subparagraph (1)(v) of this subdivision). In all other cases where the utility fails or neglects to reconnect service within 24 hours as required under these rules, it shall forfeit to the customer the sum of $25 per day for each day or portion thereof that service is not supplied after the date that service should have been supplied. In any case, the burden of showing good cause for any failure to reestablish service within 24 hours shall be upon the utility.
Comment: Generally, a utility will be deemed to have met its burden where it demonstrates that timely reconnection was precluded by adverse weather conditions, serious physical impediments, health or safety considerations, new construction requirements, labor disputes, inability to obtain access, or legal constraints.

(b) Restoration of commodity supply. This subdivision sets forth procedures applicable where commodity was provided by and terminated by the same ESCO.

(1) An ESCO shall take all actions within its control and, where applicable, consistent with provisions of its agreement to supply commodity, to restore terminated residential service within 24 hours in the following situations:

(i) receipt by the ESCO of the full amount of arrears for which service was terminated;

(ii) agreement by the ESCO and the customer on a deferred payment plan and the payment of a downpayment, if required, under that plan;

(iii) upon the direction of the commission or its designee;

(iv) upon the receipt by the ESCO of a commitment of a direct payment or written guarantee of payment from the social services official of the social services district in which the customer resides; or

(v) where an ESCO has notice that a serious impairment to health or safety is likely to result if service is not restored. Doubts as to whether restoration of service is required for health or safety reasons shall be resolved in favor of restoration.

(2) Where any ESCO is required under these rules to restore service within 24 hours and fails or neglects to do so without good cause as determined by the commission or its designee, it shall forfeit to the customer the sum of $50 per day for each day or portion thereof that service is not supplied after the date that service should have been supplied, in cases involving medical emergencies (section 11.5(a) of this Part), the elderly, blind or disabled (section 11.5(b) of this Part), heat-related service during cold weather periods (section 11.5(c)(1), (2) and (3) of this Part), or in cases where the ESCO has notice that the failure to restore service is likely to result in a serious impairment to health or safety (paragraph (a)(5) of this section). In all other cases where the ESCO fails or neglects to restore service within 24 hours as required under these rules, it shall forfeit to the customer the sum of $25 per day for each day or portion thereof that service is not supplied after the date that service should have been supplied. In any case, the burden of showing good cause for any failure to reestablish service within 24 hours shall be upon the ESCO.

(c) Conditions for ending suspension of distribution service. This subdivision sets forth the conditions for ending the suspension of a residential customer’s distribution service. Suspension of distribution service shall end upon the occurrence of any of the following conditions:

(1) receipt by a utility of the full amount of arrears for which service was terminated;

(2) agreement by a utility and the customer on a deferred payment plan and the payment of a downpayment, if required, under that plan;

(3) upon the direction of the commission or its designee;

(4) upon the receipt by a utility of a commitment of a direct payment or written guarantee in accordance with the Social Services Law;

(5) where a utility has notice that a serious impairment to health or
safety is likely to result if service is not reconnected. Doubts as to whether reconnection of service is required for health or safety reasons shall be resolved in favor of reconnection; or

(6) upon the expiration of one year after such termination of commodity service, or upon the receipt of payments by or on behalf of the customer to the ESCO that requested the suspension such that the amount paid by such customer to the ESCO plus any charges paid to the distribution utility during the period when such customer's arrears accrued is equal to or greater than the amount such customer would have paid if the entire utility service had been obtained from the distribution utility during such period.

11.10 Deferred payment agreements.

(a) Utility's Obligations.

(1) A distribution utility must make reasonable efforts to contact eligible customers or applicants by phone, mail or in person for the purpose of offering a deferred payment agreement and negotiating terms tailored to the customer's financial circumstances, prior to making the written offer of a deferred payment agreement required under paragraph (4) of this subdivision. Consistent with provisions of its agreement to supply commodity, if applicable, and provided such provisions are consistent with other requirements of the Public Service Law, a utility must make reasonable efforts to contact eligible customers or applicants for the purpose of offering a deferred payment agreement and negotiating terms tailored to the customer's financial circumstances, prior to making the written offer of a deferred payment agreement required under paragraph (4) of this subdivision. A deferred payment agreement or payment agreement (also referred to as the agreement in this section) is a written agreement for the payment of outstanding charges over a specific period of time, signed by both the utility and the customer or applicant.

(i) A utility must negotiate in good faith with any customer or applicant with whom it has contact so as to achieve an agreement that is fair and equitable considering the customer's financial circumstances.

(ii) A utility may require that a customer or applicant complete a form showing assets, income and expenses, and provide reasonable substantiation of the information on that form, provided that all such information shall be treated as confidential.

(iii) A payment agreement must provide for installments as low as $10 per month and no down payment, when the customer or applicant demonstrates financial need for such terms, but need not provide for monthly installments of less than $10.

(iv) A payment agreement may provide for any size or no down payment, and installments on any schedule over any period of time if mutually agreed to by the parties.

(2) At the time a utility notifies a customer of his or her right to an installment payment plan under section 11.13(f) or 11.14(a) or (c) of this Part, the utility also make reasonable efforts to negotiate terms tailored to the customer's financial circumstances, in accordance with paragraph (1) of this subdivision.

(3) A utility may postpone a scheduled termination, disconnection or suspension of service up to 10 calendar days after the date stated in the final notice of termination, disconnection or suspension for the purpose of negotiating payment agreement terms, provided that the
customer is clearly advised of such postponement.

(4) A utility must make a written offer of a payment agreement by providing two copies of the payment agreement form setting forth the specific terms for payment and signed by the utility to an eligible customer or applicant at the following times:

(i) not less than seven calendar days (10 days, if mailed) before the earliest date on which termination, disconnection or suspension may occur, which is either the date stated in a final notice of termination, disconnection or suspension or a date, up to 10 days thereafter, to which the utility has postponed the termination, disconnection or suspension of service while negotiating a payment agreement pursuant to paragraph (a)(3) of this section;

(ii) when payment of outstanding charges is requirement for acceptance of an application for service, in accordance with section 11.3 of this Part;

(iii) when payment of outstanding charges is required in accordance with section 11.9 (a) or (b) of this Part; and

(iv) as required after a broken payment agreement in accordance with paragraph (e)(3) of this section.

(5) A utility must renegotiate and amend a payment agreement if the customer or applicant demonstrates that his or her financial circumstances have changed significantly because of conditions beyond his or her control.

(6) A utility must develop written payment agreement procedures and forms for evaluating the financial need of a customer or applicant, for assuring the confidential handling of such information, for arriving at fair and equitable payment terms and for training its personnel, which procedures shall be filed with the Office of Consumer Services.

(7) The commission or its authorized designee may order a utility to offer a payment agreement in accordance with this section where the parties have been unable to reach agreement or where an agreement is necessary for the fair and equitable resolution of a complaint.

(b) Eligibility.

(1) A customer or applicant is eligible for a payment agreement and must be offered one in accordance with subdivision (a) of this section, unless:

(i) the customer has broken an existing payment agreement, except as provided in paragraph (e)(3) of this section; or

(ii) the commission or its designee determines that the customer or applicant has the resources available to pay the bill.

(2) If the utility believes that a customer or applicant is not eligible for a payment agreement because he or she has the resources to pay the bill, it may seek a determination from the commission or its designee, in accordance with the following procedures:

(i) the utility must notify the customer or applicant and the commission or its designee in writing of the reason for its belief;

(ii) the utility must give the customer or applicant written notice summarizing the procedures under this paragraph in clear and understandable language;

(iii) the commission or its designee will forthwith make a determination as to whether the customer or applicant has the resources available to pay the bill;

(iv) until such a determination is made by the commission or its designee, the utility must postpone any termination, disconnection or
suspension activity, restore service or provide service, as applicable, as long as the customer or applicant pays current bills, and a down payment and monthly installments consistent with subparagraph (c)(2)(ii) of this section, or such other amounts established by the commission or its designee.

(c) Terms of agreement.

(1) A payment agreement shall obligate the customer to make timely payments of all current charges.

(2) A payment agreement shall either contain:

(i) the specific terms for payment of the amount covered by the agreement mutually agreed upon by the utility and the customer or applicant after negotiation pursuant to paragraph (a)(1) of this section; or

(ii) a down payment up to 15 percent of the amount covered by the payment agreement or the cost of one half of one month's average usage, whichever is greater; unless such amount is less than the cost of one half of one month's average usage, in which case the down payment may be up to 50 percent of such amount; and monthly installments up to the cost of one half of one month's average usage or one tenth of the balance, whichever is greater.

(3) The cost of one month's average usage shall be calculated by averaging the cost of service over the prior 12 months.

(d) Form of agreement. A payment agreement form shall in clear and understandable language and format contain the following information:

(1) that the utility is required to offer a payment agreement that the customer or applicant is able to pay, considering his or her financial circumstances, and that the agreement should not be signed if the customer or applicant is unable to pay its terms;

(2) that if the customer or applicant demonstrates financial need, alternate terms will be available, a down payment may not be required and installments may be as low as $10 per month above current bills;

(3) that assistance to pay utility bills may be available to recipients of public assistance or supplemental security income from a local social services office;

(4) that if the customer or applicant is unable to pay the terms of the agreement, or if for any other reason the customer or applicant wishes to discuss the agreement, the customer or applicant should call the utility at a specified telephone number and that if any further assistance is needed, the customer or applicant should call the commission at a specified telephone number;

(5) that by signing and returning the form together with any required down payment to the utility within the required time period, the customer or applicant will be entering into a payment agreement, and by doing so, will avoid termination, disconnection or suspension of service;

(6) the date by which the copy signed by the customer, and any applicable down payment, must be received by the utility in order to avoid termination, disconnection or suspension of service, if applicable; provided, however, that such date may not be less than six business days after the agreement is sent by the utility;

(7) the utility's policy if the agreement is not signed and returned as required;

(8) the total amount due, the required down payment, if any, and the exact dollar amount and due date of each installment;
(9) that if the customer or applicant fails to comply with the terms of the payment agreement, the utility will take steps to terminate, disconnect or suspend service;

(10) that the customer or applicant has a right to immediate enrollment on a levelized payment plan. This notice must be placed close to the signature line, include a conspicuous check-box option, and give a specified telephone number to call the utility for more information. A brief explanation of the levelized payment plan, consistent with section 11.11 of this Part, must accompany the agreement; and

(11) that if the customer or applicant later can demonstrate that his or her financial circumstances have changed significantly because of conditions beyond his or her control, the utility must amend the terms of the agreement to reflect such changes.

(e) Broken agreements.

(1) If a customer fails to make timely payment in accordance with a payment agreement, the utility must send a reminder notice at least eight calendar days prior to the day when a final notice of termination, disconnection or suspension will be sent, stating in conspicuous bold type that:

(i) the customer must meet the terms of the existing payment agreement by making the necessary payment within 20 calendar days of the date payment was due or a final termination, disconnection or suspension notice may be issued;

(ii) if the customer can demonstrate that he or she is unable to make payment under the terms of the payment agreement because his or her financial circumstances have changed significantly because of conditions beyond his or her control, the customer should immediately contact the utility at a specified telephone number because a new payment agreement may be available.

(2) If by the 20th calendar day after payment was due, the utility has neither received payment nor negotiated a new payment agreement, the utility may demand full payment of the total outstanding charges and send a final termination, disconnection or suspension notice in accordance with section 11.4 (a) or (b) of this Part stating in conspicuous bold type:

(i) if the customer can demonstrate that he or she is unable to make payment under the terms of the payment agreement because his or her financial circumstances have changed significantly because of conditions beyond his or her control, the customer should immediately contact the utility at a specified telephone number because a new payment agreement may be available;

(ii) that assistance to maintain utility service may be available from a local social services office;

(iii) that before the social services office will provide assistance, the customer generally must provide the utility with information showing assets, income and expenses to evaluate whether the customer is entitled to a new payment agreement; and

(iv) either the address and telephone number of the appropriate social services office, or the local social services information number.

(3) Any final termination, disconnection or suspension notice sent because the customer has broken an agreement negotiated pursuant to paragraph (a)(1) of this section and which required payment over a shorter period than the subparagraph (c)(2)(ii) of this section standard agreement for that customer would allow, must also be accompanied by a
written offer of a new agreement to pay the outstanding balance in monthly installments calculated in accordance with subparagraph (c)(2)(ii) of this section.

11.11 Budget or levelized payment plans.

(a) General. Every utility shall offer residential customers a voluntary budget billing or levelized payment plan for the payment of charges. The plan shall be designed to reduce fluctuations in customers' bills due to seasonal patterns of consumption. Any such plan shall also be offered to customers who are condominium associations or cooperative housing corporations.

(b) Criteria. Unless otherwise authorized by the commission, each such plan shall be based on the customer's recent 12-month experience, adjusted for known changes. If 12 months of billing data are not available for the customer then 12 months of billing data for the premises shall be used. If 12 months of billing data are not available for the premises then the utility shall estimate future consumption over the next 12-month period. Each such plan shall provide that bills clearly identify consumption and state the amounts that would be due without levelized or budget billing; such information need not be supplied on interim bills for customers billed on a bimonthly basis. Each such plan shall provide that bills be subject to regular review for conformity with actual billings.

(c) Commission approval. Each such plan shall be filed with the commission and any significant changes in the plan shall be submitted to the commission for review before implementation.

11.12 Residential service deposits.

(a) For the purposes of this section, a new residential customer is an applicant. A seasonal customer is a person who applies for and receives utility service periodically each year, intermittently during the year, or at other irregular intervals. A short-term customer is a person who requires service for a specified period of time that does not exceed one year. A customer who receives continuous utility service for more than one year shall not be considered a seasonal or short-term customer.

(b) Unless authorized by the commission under subdivision (e) of this section, no utility shall require any new residential customer to post a security deposit as a condition of receiving utility service, unless such new customer is a seasonal or short-term customer.

(c) (1) As of September 1, 1982, no distribution utility shall, unless authorized by the commission under subdivision (e) of this section, require a current residential customer, other than a delinquent customer, to post a security deposit, and deposits held on that day shall be returned promptly to nondelinquent residential customers, and in no event later than the next bill for service.

(2) As of June 18, 2003, no utility shall, unless authorized by the commission under subdivision (e) of this section, require a current residential customer, other than a delinquent customer, to post a security deposit. Deposits held from current, nondelinquent customers whose agreement for the provision of commodity was renewed on or continued on or after June 18, 2003 shall be returned promptly to such customers, and in no event later than the next bill for service.

(d) Notwithstanding the requirements of subdivision (c) of this section:
(1) a utility may continue to demand deposits as a condition of receiving utility service from customers who are seasonal customers or short-term customers as defined in subdivision (a) of this section; and
(2) a utility may require a deposit from a residential customer as a condition of service if that customer is delinquent in payment of his or her utility bills. A current customer is delinquent for the purpose of a deposit assessment if such customer:
(i) accumulates two consecutive months of arrears without making reasonable payment, defined as one half of the total arrears, of such charges before the time that a late payment charge, as described in section 11.15 of this Part, would become applicable, or fails to make a reasonable payment on a bimonthly bill within 50 days after the bill is due, provided that the utility requests such deposit within two months of such failure to pay; or
(ii) had utility service terminated, disconnected or suspended for nonpayment during the preceding six months.
A utility intending to require a deposit under subparagraph (i) of this paragraph shall provide a customer written notice, at least 20 days before it may assess a deposit, that the failure to make timely payment will permit the utility to require a deposit from such customer.
(3) If a utility requires a deposit from a current residential customer who is delinquent by virtue of his or her failure to make a reasonable payment of arrears, as provided in paragraph (2) of this subdivision, it shall permit such customer to pay the deposit in installments over a period not to exceed 12 months.
(4) A utility may require deposits as a condition of receiving utility service from new residential customers who fail to provide reasonable proof of identity pursuant to section 11.3 of this Part, provided a hearing has been held pursuant to Public Service Law, section 36(2) and required findings have been made by the commission.
(e) Notwithstanding the requirements of subdivisions (b) and (c) of this section, a utility may demand and hold deposits from new or current residential customers as a condition of utility service if the commission after investigation and hearing so authorizes such practice, upon a finding that the collection and maintenance of such deposits is cost-effective for the utility as a whole without regard to the utility's cash flow and the availability of capital to the utility.
(f) No utility shall require any person it knows to be a recipient of public assistance, supplemental security income, or additional State payments, to post a security deposit.
(g) No utility shall demand or hold a deposit from any new or current residential customer it knows is 62 years of age or older unless such customer has had service terminated, disconnected or suspended by the utility for nonpayment of bills within the preceding six months.
(h) In any case where customer deposits are authorized by this section, a utility may require a new or current residential customer to deposit a reasonable amount of money not greater than twice the average monthly bill for a calendar year, except in the case of electric or gas space heating customers, where deposits may not exceed twice the estimated average monthly bill for the heating season, in order to secure payment for services actually rendered or for the rental of fixtures, instruments and facilities actually supplied. Every utility shall allow every customer from whom a deposit is required, interest on the amount deposited at a rate prescribed annually by the commission in
light of the current economic conditions and current charges paid for moneys borrowed by such utility, taking into account the expenses incurred by such utility in obtaining, handling, returning or crediting the sum deposited. Such interest shall be paid to the customer upon the return of the deposit, or where the deposit has been held for a period of one year, the interest shall be credited to the customer on the first billing for utility service rendered after the end of such period. If any customer is not delinquent in the payment of bills, as defined in paragraph (d)(2) of this section, during the one-year period from the payment of the deposit, the deposit shall be refunded promptly without prejudice to the utility's right to require a future deposit in the event that the customer thereafter becomes delinquent.

11.13 Meter readings and estimated bills.

(a) A utility may render an estimated bill for any billing period if:

1. the estimated bill is calculated in accordance with a procedure approved by the commission and clearly states that it is based on an estimated reading; and

2. the distribution utility has made a reasonable effort to obtain an actual meter reading; or

3. circumstances beyond the control of the distribution utility made an actual reading of the meter extremely difficult;

4. circumstances indicate a reported reading is likely to be erroneous;

5. an estimated reading has been prescribed or authorized by the commission for a billing period between periods when actual meter readings were scheduled; or

6. the customer is a seasonal or short-term customer, as those terms are defined in subdivision 11.12(a) of this Part. For such customers, an actual meter reading shall be taken upon disconnection or suspension of service.

(b) When a utility has rendered estimated bills to a residential customer for a period of four months or two billing periods, whichever is greater, the distribution utility shall take reasonable actions to obtain an actual meter reading. Such actions may include, but are not limited to:

1. making an appointment with the customer or such other person who controls access to the meter for the reading at a time other than during normal business hours;

2. offering the customer the opportunity to phone in a meter reading; or

3. providing a card to the customer on which he or she may record the reading and mail it to the distribution utility.

(c) When a distribution utility has not obtained an actual meter reading after bills representing six months or three billing periods of estimated bills, whichever is greater, have been rendered, it shall, unless otherwise authorized by the commission, send a notice to the customer and to the person who controls access to the meter offering a special appointment for a meter reading both during and outside of business hours.

(d) If the distribution utility receives no response after bills representing eight months or four billing periods, whichever is greater, it may send another letter advising the recipients that if no appointment is made, a charge not to exceed $25 will be added to the
next bill rendered to the person who controls and refuses to provide access, but that no charge will be imposed if an appointment is arranged and kept.

(e) If the person who controls access fails to arrange an appointment in response to a second request and the distribution utility is unable to obtain a meter reading, it may add a charge not to exceed $25 to the bill of such person. If the distribution utility intends to obtain a court order to gain access to the meter, it shall so inform such person, by certified or registered letter. The letter shall state that the purpose of obtaining such a court order is to replace a meter or, if physically feasible, to relocate the meter or install a remote reading device. The letter shall state that the court costs and the costs of relocation will be paid by the person who controls access to the meter.

(f) Where a utility has submitted an estimated bill or bills to a residential customer that understates the actual amount of money owed by such customer for the period when estimated bills were rendered by more than 50 percent or $100, whichever is greater, the utility shall notify the customer in writing that he or she has the right to pay the difference between the estimated charges and the actual charges in regular monthly installments tailored to the customer's financial circumstances over a reasonable period.

(g) The commission may grant distribution utilities waivers from the requirements of subdivisions (c)-(e) of this section upon a showing of good cause. Waivers previously granted utilities in Case 26629, to the extent not inconsistent with subdivisions (a), (b) and (f) of this section, shall remain in full force and effect.

(h) Each utility shall establish procedures for carrying out the requirements of this section and shall submit such procedures and any subsequent amendments to the commission for approval. A utility may establish other reasonable procedures designed to reduce the number of estimated bills that do not conflict with the requirements of this section.

(i) Where a distribution utility gains access to a gas meter through the use of a court order but cannot restore full service because the terms of the court order do not permit the distribution utility access to all areas of the premises to relight pilot lights, the distribution utility shall lock the meter. The distribution utility shall leave written notification informing the customer how service can be promptly restored. If the customer fails to contact the distribution utility to have service restored, the distribution utility shall attempt to contact the customer, on no less than a weekly basis, until such service is restored. During the period November 1st to April 15th, inclusive, court orders obtained under this section shall not be enforced against any residential gas-heating customer if such enforcement would result in the disconnection of service or in an unsafe condition.

(j) A duly authorized agent of the distribution utility may enter any residential dwelling supplied with service by the utility at all reasonable times for the purpose of reading a meter to ascertain the quantity of gas or electricity supplied, provided such agent exhibits a photo-identification badge and written authority as prescribed in section 65(9) of the Public Service Law.

SO DOC 16A-11.14
NYCRR 11.14 Backbilling on residential accounts.

(a) No utility shall charge a residential customer for service
rendered more than six months prior to the mailing of the first bill for service to the residential customer unless the failure of the utility to bill at an earlier time was not due to the neglect of the utility or was due to the culpable conduct of the customer. If the customer remains liable for any such service and the delay in billing was not due to the culpable conduct of the customer, the utility shall explain the reason for the late billing and shall notify the customer in writing that payments may be made under an installment payment plan tailored to the customer's financial circumstances.

(b) A utility may not adjust upward a bill previously rendered to a residential customer after 12 months from the time the service to which the adjustment pertains was provided unless:
   (1) failure to bill correctly was caused by the customer's culpable conduct;
   (2) failure to bill correctly was not due to the neglect of the utility;
   (3) such adjustment is necessary to adjust a budget payment plan or levelized payment plan as described in section 11.10 of this Part; or
   (4) there was a dispute between the utility and the customer concerning the charges for service during the 12-month period.

(c) A utility issuing a billing adjustment increase of $100 or more under paragraphs (2), (3) and (4) of subdivision (b) of this section shall notify the customer in writing that he or she has the right to pay the adjusted bill in regular monthly installments tailored to the customer's financial circumstances over a reasonable period. An adjustment to increase previously rendered bills more than 12 months after the time service was provided, pursuant to paragraphs (b)(2), (3) and (4) of this section, shall be made within four months of the final resolution of the billing dispute.

(d) A utility adjusting any charge for service rendered 12 or more months prior to the date of issuance shall include with the bill a notice giving the reason for the adjustment.

(e) No utility may render a bill for previously unbilled service or adjust upward a bill previously rendered to a residential customer after the expiration of 24 months from the time the service to which the new billing or adjustment pertains was provided unless the culpable conduct of the customer caused or contributed to the failure of the utility to render a timely or accurate billing.

11.15 Late payment and other charges.

(a) Late payment charges. A utility may impose a one-time or continuing late payment charge, not in excess of 1 1/2 percent per month on the unpaid balance of any bill for service including any interest thereon, provided the utility:
   (1) clearly shows on each bill the amount billed, whether any charge will be imposed for late payment, when the late payment charge becomes applicable, and the time period during which the bill may be paid without the imposition of the late payment charge;
   (2) does not impose a late payment charge for any bill or portion thereof which is paid within 20 days of the date payment was due, according to the standard set forth in section 11.4(a)(3) of this Part;
   (3) does not impose such charge on any bill that is the subject of a pending complaint before the utility or the commission; provided, however, that a late payment charge may be imposed on the balance due
where the final resolution of the complaint directs payment of the entire disputed amount to the utility; and provided further, that no such charge may be imposed for more than two months of the pendency of the complaint unless authorized by the commission or its designee.

(b) Every utility shall offer residential customers on fixed incomes the opportunity to pay their bills on a reasonable schedule that is adjusted for such customer's periodic receipt of income without such customers incurring late payment charges; provided, however, that any such offer may prescribe a late payment charge, consistent with the standards set forth in subdivision (a) of this section, where payment is not made within 20 days of the scheduled due date.

(c) Other charges. Except as provided in subdivision (a) of this section, no utility may charge any residential customer a late payment charge, penalty, fee, interest or other charge of any kind for any late payment, collection effort, service termination, disconnection or suspension or deferred payment agreement occasioned by the customer's failure to make timely payment for services. Nothing in this section shall prohibit a utility from imposing a reasonable charge pursuant to its tariff or, where applicable, its agreement for commodity supply, for other lawful purposes.

Comment: A utility eligible to request suspension pursuant to PSL 32(5) is prohibited from recovering from a residential customer any charge paid by said utility to the distribution utility for any costs associated with suspension of distribution service.

11.16 Contents of bills.

Each utility bill to a residential customer shall provide, in clear and understandable form and language, the charges for service. Each distribution utility bill to a residential customer shall include:

(a) the name, address and account number of the customer, dates of the present and previous meter readings, whether estimated or actual, amount consumed between present and previous readings, amount owed for the latest period, the date by which payments for the latest period may be paid without penalty, the penalty charge for late paid bills, credits from past bills and any amounts owed and unpaid from previous bills;

(b) the customer's service classification, the billed demand, the meter-multiplier constant (if applicable), and any charges or credits which are adjustments to the base charges imposed by the distribution utility's tariff for the rate classification of that customer;

(c) if the bill is issued under a budget or levelized billing plan, an identification of the type of plan, the total of the year's budget or levelized amounts billed to the end of the period covered by the current bill, the dollar amount billed for tariff items during such period, and the debit or credit balances; and

(d) an explanation of how the bill may be paid, including one or more local distribution utility offices at which it may be paid, and a statement that bills may be paid at other authorized offices or payment agencies. Nothing in this section shall preclude a distribution utility from providing pertinent messages and information on the bill, provided such information does not interfere with the presentation of the information required by this section.

11.17 Notification requirements.

(a) Annual notification of rights. Every utility shall, at the time
service is initiated to a residential customer and at least annually thereafter, by a notice accompanying a regular bill or in a separate mailing, provide residential customers with a summary of their rights and obligations under the Home Energy Fair Practices Act, the Energy Consumer Protection Act of 2002 and this Part. At a minimum, the summary shall include the following:

1. a description of the complaint-handling procedures available at the utility and the commission;
2. the rights and obligations of residential customers relating to payment of bills, termination, disconnection and suspension of service and reconnection of service;
3. a description of special protections afforded the elderly, blind and disabled; persons with medical emergencies; persons receiving public assistance, supplemental security income benefits or additional State payments; and persons in two-family dwellings;
4. a request that residential customers who qualify for the protections referred to in subdivisions (b) and (c) of section 11.5 of this Part voluntarily so inform the utility;
5. the right of a customer to designate a third party to receive copies of all notices relating to termination, disconnection and suspension of service or other credit notices;
6. appropriate forms that customers claiming the protections of paragraph (3), (4) or (5) of this subdivision may fill out and return;
7. a description of the customers' rights in regard to deferred payment plans and the holding and demanding of security deposits by the utility; and
8. a description of the utility's budget or levelized payment plans; and
9. if a residential customer receives residential gas or electric service from two or more utilities, the residential customer need not be notified by each such utility. The distribution utility shall provide a single annual notice to residential customers.

(b) Billing information in non-English language. Every utility providing service to a county where, according to the most recent Federal census, at least 20 percent of the population regularly speaks a language other than English, shall, at the request of a customer residing in such county, send its messages on bills and notices in both English and such other language to such customer. At least once a year, every utility shall supply, to all residential customers in such county, a notice in such other language spoken regularly by at least 20 percent of the population in such county of the right to request messages on bills and notices in such other language.

(c) Notification for customers billed on time-of-use rates. Every utility which offers time-of-use rates shall provide the following information, at least twice per year, by a notice accompanying a regular bill or in a separate mailing to its customers billed on such rates:

1. a description of the hours for which these rates are available for both standard and daylight standard time;
2. if resetting the electric time-of-use meter is necessary to restore the effective hours of the time-of-use rates following an interruption of service, a description of procedures such customers shall follow in order to have their time-of-use electric meter reset; and
3. if resetting the electric time-of-use meter is necessary, when the
utility has knowledge of an outage, a statement within 60 days of such outage that the time-of-use rate may not be applied at the previously stated times until the time-of-use electric meter is reset.

11.18 Emergency disconnections of residences.

A distribution utility may disconnect service to a residence when an emergency may threaten the health or safety of a person, a surrounding area or the utility's distribution system. The distribution utility shall act promptly to assure restoration of service as soon as feasible. Service shall be restored to any residence before it may be disconnected for any other reason.

11.19 Inspection and examination of distribution utility apparatus.

(a) A duly authorized agent of the distribution utility may enter any dwelling, building or other location supplied with service by the distribution utility for the purposes of inspecting and examining the meters, pipes, fittings, wires and other apparatus for regulating, supplying and/or ascertaining the quantity supplied on a nonholiday workday between 8 a.m. and 6 p.m., or at such other reasonable times as requested by a customer. At such time, the agent shall exhibit a photo-identification badge and written authority signed by the president or vice-president and secretary or assistant secretary of a distribution utility corporation, or by the mayor or clerk of a municipal corporation or by the chairman and secretary of a municipal board in control of a municipal utility.

(b) The provisions of subdivision (a) of this section shall not apply to the inspection and examination of any such equipment where an emergency may threaten the health and safety of a person, the surrounding area, or the distribution utility's distribution system.

(c) Inspection and examination of any such equipment may be conducted between the hours of 8 a.m. and 9 p.m. on any day when there is evidence of meter tampering or theft of services.

(d) An agent of the distribution utility, otherwise duly authorized to inspect and examine apparatus, may not enter locked premises without the permission of the person lawfully in control on the premises, nor use any manner of force to carry out inspection and examination, except when an emergency may threaten the health or safety of a person, the surrounding area, or the distribution utility's distribution system, or where authorized by a court order.

11.20 Complaints to the utility.

Customer complaints about bills for utility service, deposit requests or other service problems shall first be made to the utility. The utility shall allow complaints to be accepted and processed in a simple manner and form. Every utility shall promptly investigate any complaint in a fair manner and report the results to the complainant. If the report of the investigation is made orally, the utility shall offer the complainant, upon written request, the opportunity to receive the report in writing. A utility resolving a complaint in whole or in part in its favor shall inform the complainant of the availability of the commission's complaint handling procedures, including the commission's address and telephone number. Every utility shall file with the commission its procedures for fulfilling the requirements of this section, and any changes in such procedures must be filed at least 30
days prior to implementation. A utility shall refrain from terminating, disconnecting or suspending service for nonpayment during the pendency of a complaint before the utility or the commission and for 15 days after resolution by the utility, or by the commission or its authorized designee, unless otherwise provided by the commission or its authorized designee; provided, however, that as a condition of continued service during the pendency of such dispute, a customer shall pay the undisputed portions of any bill for service, including bills for current usage, or such amounts as the commission or its authorized designee determines reasonably reflect the cost of usage to such customer.

11.21 Emergency hotline.
(a) Emergency hotline at the commission. The commission has established a toll-free telephone number that residential customers may call regarding initiation, termination, disconnection, suspension, or reconnection of service. The number is 1 (800) 342-3355 and customers may call on any business day between 7:30 a.m. and 7:30 p.m.
(b) Commission authority to order provision of service. During times that the hotline is attended, and in response to calls, an employee of the commission shall have the authority to order the reconnection, continuation or initiation of utility service whenever a reasonable question regarding the circumstances of a termination, disconnection, suspension or refusal of service exists or whenever the health or safety of a person is involved.
(c) Utility responsibility. Every utility shall submit to the commission the names and telephone numbers of employees authorized to direct compliance with orders issued under subdivision (b) of this section. Every utility shall adopt procedures necessary to comply with such orders.

11.22 Waiver.
Unless otherwise precluded by article 2 of the Public Service Law or other applicable law, the commission may, for good cause shown or upon its own motion, waive any requirement of this Part.

11.30 Definitions.
(a) Extraordinary cost means the cost, as determined by a qualified professional and shown in a written estimate signed by that professional, which also shows all relevant license numbers or professional qualifications, of installing equipment necessary to eliminate a shared meter in a dwelling or part of a dwelling which is in excess of the amount of rent for four months rental of such dwelling, or two months rental of such dwelling if the amount of service measured by the shared meter, that is used outside the shared meter customer's dwelling, is less than 20 percent of the average total monthly consumption recorded on the meter for the immediately preceding 12 month period (or if insufficient history is available, based on the best available information).
(b) Qualified professional means a person who is permitted to install or repair gas, steam or electric equipment, including rewiring or repiping, by the local code of the municipality where the meter in question is located.
(c) Legal impediment means a restriction which prevents separate metering, rewiring, or repiping due to zoning ordinances, which limit
the number, type or location of meters in a building, or due to the
historical significance of the structure, or any other legal
prohibition against elimination of the shared meter condition.

(d) Minimal service. Whenever the quantity of service on a shared
meter, that is used outside of the tenant's dwelling, is estimated to be
less than 10 percent of the total monthly consumption recorded on the
meter, based on average monthly service for the immediately preceding 12
month period (or if insufficient history is available, based on the best
available information), or 75 kwh/month of electricity, five
therms/month of gas or one mlb/month of steam, whichever is greater, the
owner, tenant and any third party whose utility service was to be
measured through another meter and had caused or benefitted from the
shared meter condition, may negotiate a mutually acceptable agreement
for the responsibility for the cost of such shared meter consumption.
When the interested parties are unable to negotiate a mutually
acceptable arrangement, the commission or its designee may order a
remedy for a shared meter customer that it deems fair and equitable
based on costs incurred and benefits received by the various parties.

. SO DOC 16A-11.31

11.31 Commission's designee.
The commission's designee, for the purpose of this section and Public
Service Law, section 52, is the director of the department's Office of
Consumer Services.

. SO DOC 16A-11.32

11.32 Service to shared meter account.

(a) Only a distribution utility may disconnect service to a shared
meter account. A distribution utility may not disconnect service to an
occupied building at the owner's request unless a new account will be
opened and disconnection of the owner's shared meter account will not
result in interruption of service.

(b) A distribution utility shall not disconnect service to a shared
meter account for nonpayment unless it complies with the requirements of
this section.

(1) The distribution utility shall give 15 days' written notice of its
intention to disconnect service to a shared meter account by mailing a
copy of the notice to the owner of the premises or to the recipient of
the last preceding service bill, mailing or otherwise delivering a copy
of the notice to each affected dwelling unit, and, when common areas of
the building will be affected, and unless precluded by physical
circumstances, posting a copy of the notice in a conspicuous place at or
within the building.

(2) The notice shall provide the information required by section
11.4(a)(2)(i)-(iv) of this Part, state that there are special
protections for occupants of premises receiving service through a shared
meter account, that the department staff may be contacted for
information and advice, and that subdivision (1) of section 235-a of the
Real Property Law may authorize occupants of multiple dwellings who make
utility payments to prevent disconnection of service on a shared meter
account to deduct such payments from their rent.

(3) Any occupant who would be affected by disconnection of a shared
meter account may prevent disconnection of service by paying the current
charges for such service. An occupant who chooses to pay current charges
shall not be liable for any future bills rendered for utility service
through the shared meter. In the event of such payment, the utility that
issues the bills shall continue to render all bills to the owner and to send a copy to any occupant upon request. Current charges shall be defined as an amount not to exceed that due for billed service provided during the two months preceding the disconnection date set forth in the notice.

(4) The department's staff shall be available to advise occupants who would be affected by disconnection of shared meter accounts of the protections provided by this section.

(5) Whenever a final notice of disconnection of utility service has been provided under this section, and disconnection has been avoided, the distribution utility shall so notify the affected occupants by mailing or otherwise delivering such notice to the occupants or posting such notice in a conspicuous place at or within the building.

(6) During the cold weather period, defined in section 11.5(c)(2) of this Part, a distribution utility intending to disconnect heat-related service, as that term is defined in section 11.5(c)(1) of this Part, to a shared meter account shall provide the written notices required under paragraphs (1) and (2) of this subdivision not less than 30 days before the intended disconnection.

(7) During the cold weather period defined in section 11.5(c) of this Part, a distribution utility intending to disconnect service to a shared meter account shall comply with the requirements set forth in sections 11.5, 11.7 and 11.8 of this Part.

SEC. 12.0 Applicability of Part 12 complaint procedures

When used in this Part, the term utility includes any such gas corporation, electric corporation, gas and electric corporation, steam corporation, municipality, or any entity that, in any manner, sells or facilitates the sale, furnishing or provision of gas or electric commodity to residential customers, including energy services companies and owners of submetered residential buildings; provided, however, that the term does not include any municipality that is exempt from commission regulation by virtue of section 1005 (5) (g) of the Public
12.1 Complaints and questions.

(a) Filing. Any utility customer may file a complaint with, or ask a question of, the commission relating to his or her electric, gas, steam, telephone or water service, when the customer believes he or she has not obtained a satisfactory resolution of a dispute with a utility regulated by the commission. Complaints may involve bills for utility service, deposit requests, negotiations for deferred payment agreements, service problems, and other matters relating to utility service.

(b) Department offices. A complaint or question may be filed by telephone, letter, electronically, or in person at the commission's office in New York City, Albany or Buffalo.

(c) Complaint submissions. Once a customer has filed a complaint and provided basic information to the commission's Office of Consumer Services so the complaint can be investigated, the utility will be notified of the complaint and will be required to submit information regarding the merits of the complaint. This submission should explain its actions in the disputed matter and the extent to which those actions were consistent with the utility's procedures and tariff, commission rules, regulations, orders and opinions, and applicable State laws. The utility may be required by staff to provide copies of bills, billing statements, field reports, written documents, or other information in the possession of the utility which may be necessary to make a decision on the complaint. A customer making a complaint is responsible for providing staff with any facts that he or she possesses in support of his or her position.

(d) Inspections and tests. Should staff determine that an onsite inspection or test is required, he or she may order a test or inspection. This work may be done by staff and/or by utility staff at the direction of commission staff, depending on the nature of the complaint, time considerations and staff availability.

(e) Investigation. Staff will investigate each complaint or question and will respond to the customer, or, if possible, suggest the name, address and/or telephone number of a person or agency who might be able to respond.

12.2 Complaint files.

(a) A complaint file will be maintained at one of the commission's offices. It will contain all information in the commission's possession relating to a complaint.

(b) Customers, utilities or their representatives may look at and copy complaint files concerning cases to which they are a party. Staff will provide copies of the documents in accordance with the fee schedules in the commission's Administrative Manual. One free copy of the file will be made for those customers who state that they are unable to pay for reproduction costs.

(c) Complaint files shall be kept for at least one year after a case is closed.

12.3 Continuation of service while a complaint is at the commission.

(a) A utility shall not terminate, disconnect or suspend a customer's service, based on amounts billed that have not been paid and which are in dispute, from the time that a complaint or an appeal of a complaint
is filed with the commission until 15 days after the decision is mailed or personally communicated to the customer or his or her representative.

(b) In order to continue service during the time a complaint or an appeal of a complaint is at the commission, the utility may require the customer to pay amounts of bills not in dispute. If the undisputed amount is not paid, the utility may be entitled to terminate, disconnect, or suspend the customer's service. Should there be any question as to the amount in dispute, staff will make a reasonable estimate, establishing the disputed amount.

12.4 Initial decision on complaint.

(a) When necessary information has been obtained, a staff member will make an initial decision on the complaint, based on his or her findings, applicable State laws, commission rules, regulations, orders and opinions, and utility tariffs.

(b) Staff shall call or write the customer or his or her representative to inform him or her of the decision, the reasons for the decision, and what actions must be, or may be, taken by the customer or the utility. The utility will be notified of the disposition of the complaint and of any action which it must take. A customer or utility may request a written copy of the initial decision. If the decision is communicated orally, the customer will be informed that he or she may receive the decision in written form.

12.5 Requests for informal hearing or review.

(a) (1) If the customer or the utility objects to the initial decision, a request for an informal hearing or review may be made to the commission's Office of Consumer Services in writing, by telephone or in person, explaining the basis for the request. The request should be received within 15 days after the initial decision is mailed or personally communicated.

(2) A request for an informal hearing may be denied if the relief sought by the customer or utility is beyond the power of the informal hearing officer to provide. In this case, the person requesting the hearing shall be notified as to the reason why a hearing cannot resolve the complaint, and shall be advised of the appropriate authority to address the complaint, if known. If the person requesting the hearing contends that the hearing officer does have the authority to decide the complaint, he or she may appeal to the commission in accordance with section 12.13 of this Part.

(b) A utility which appeals a staff decision must accept an informal review unless the customer agrees to participate in an informal hearing. A customer may choose either an informal hearing or review.

(c) Upon receiving a request for an informal hearing or an informal review, the customer and the utility will be notified in writing:

(1) of the date, time and location of the informal hearing at least 10 days before the date of the hearing, or that an informal review will be held;

(2) that any documents in support of their position should be brought to the informal hearing or sent to the informal reviewer within 15 days, or longer if the reviewer finds it reasonable to extend the time period, after receiving notice that a review will be conducted; and

(3) that the customer may be represented by a person of his or her choice or may request that the commission's Office of Consumer Services
12.6 Description of informal hearings and reviews.

(a) Informal hearings. (1) An informal hearing is a procedure at which the utility and the customer, and/or his or her representative, appear and are provided with the opportunity to present information, discuss and resolve the complaint before an informal hearing officer. Hearings normally will be held at commission offices; however, a customer may request that an informal hearing be conducted by telephone conference call.

(2) The hearing officer is an impartial member of the commission staff who has not had previous contact with the complaint. The hearing officer will consider the statements made by the parties at the hearing and review relevant information in the complaint file. The hearing officer will then make an independent decision and provide the customer and utility with a written statement explaining the reasons for the decision.

(b) Informal review. An informal review is a further review of the complaint by a staff member who has not previously worked on the complaint. An informal review does not require the presence of either the customer or the utility. It is an option available to the customer who disagrees with the initial decision, but who is unable or prefers not to participate in an informal hearing. Staff will review the complaint record, make an independent decision and provide the customer and the utility with a written statement explaining the reasons for the decision.

12.7 Rights of parties.

(a) Informal hearing rights. The parties to an informal hearing shall have the following rights:

(1) To represent themselves or to be represented by counsel or other person of their choice. At the request of a customer, the commission's Office of Consumer Services may assign an advocate, free of charge, if available, to assist the customer in preparing and presenting his or her complaint during an informal hearing.

(2) To examine the documents in the complaint file before the informal hearing.

(3) To have a reasonable opportunity during an informal hearing to present evidence and arguments concerning the complaint, and to challenge the evidence of and question the other party.

(4) To have the commission tape-record the hearing, with the consent of the customer. The commission will retain such tape for at least four months after the complaint is closed. The hearing officer shall inform the parties that either party may review the recording at the commission office or make a copy of the tape at his or her own expense.

(5) To have an interpreter at the hearing. If the party in need of such services is unable to obtain an interpreter, the commission will provide an interpreter where feasible, provided that the customer makes the request at least five days before the hearing.

(6) To request that information relevant to the complaint possessed by the other party be provided. The request can be made directly or through the hearing officer.

(b) Informal review rights. The parties to an informal review shall have the following rights:
(1) To present evidence and written arguments concerning the complaint. At the request of a customer, the commission's Office of Consumer Services may assign an advocate, free of charge, if available, to assist the customer in preparing his or her submission for the informal review.

(2) To examine the documents in the complaint file.

(3) To examine the evidence and arguments submitted by the other party and to submit a response to the evidence and arguments of the other party.

(4) To request the information relevant to the complaint possessed by the other party be provided. The request can be made directly or through the hearing officer.

NYCRR 12.8 Powers and duties of hearing officers and reviewers.

(a) Informal hearing officers and reviewers shall conduct fair and impartial hearings or reviews, and may, in carrying out this responsibility:

(1) (i) Order utilities to provide copies of information in their possession and state the form in which certain information is to be provided.

(ii) Request customers to provide information in their possession which is necessary to prove any facts that the customer offers in support of his or her position. The customer's failure to provide any such information may influence the hearing officer's decision regarding that particular fact.

(2) Order the utility to conduct meter tests and inspections, diversion of service inspections and other tests necessary for the resolution of the complaint.

(3) Regulate the course of hearings and the conduct of the parties and their representatives. In executing this responsibility, the hearing officer may allow the attendance of the media if he or she believes that this will not disrupt the hearing, and parties agree to such attendance.

(4) Question participants directly and inquire into all matters related to the case.

(b) Informal hearing officers and reviewers shall provide a party with any information regarding the merits of the case exchanged between the hearing officer and any other party, and an opportunity to respond to the hearing officer regarding such information.

(c) The hearing officer may permit any party to submit further information, documentation or arguments that may aid the officer in reaching a determination within 15 days after an informal hearing. The hearing officer shall ensure that this information is provided to the other party, who will have an opportunity to respond. The hearing officer may grant reasonable requests to extend the time period to submit information.

NYCRR 12.9 Hearing postponement.

(a) The hearing officer may grant initial requests for a hearing postponement. A party requesting a second postponement will be required to provide reasonable justification for the postponement. If a party does not provide reasonable justification, as determined by the hearing officer, a new hearing date will not be set and an informal review will be conducted.

(b) The hearing officer may, at his or her own discretion, postpone or
adjourn a hearing for reasonable cause. If a hearing is postponed, adequate notice will be provided to the parties.

12.10 Failure to appear.

If a customer or the utility does not appear for a scheduled hearing, without good cause, the hearing officer will accept information from the attending party, and make a determination on the dispute.

12.11 Settlement agreement.

(a) If, at any point during the informal hearing, the utility and the customer agree to settle their dispute, the agreement shall be in writing and signed by the customer, the utility representative and the hearing officer. The agreement shall state that it is binding on parties and may not be appealed.

(b) A settlement of an informal review shall be confirmed by letter from the reviewer to parties.

12.12 Informal hearing or review decision.

(a) If the parties have not been able to settle their dispute, the hearing officer or informal reviewer will make a written decision. In reaching the decision, the hearing officer shall give consideration to the evidence and facts of the case, and base the decision on his or her findings, applicable State law, commission rules, regulations, orders and opinions, and utility tariffs. The decision shall summarize the positions and arguments of the customer and the utility, the facts as established, the reasons for the decision, and, where appropriate, include a statement of what actions must be taken by the parties.

(b) The hearing officer or reviewer shall promptly notify the parties, by first class mail, of the decision and of the parties' right to appeal in writing to the commission and the time by which an appeal must be filed.

12.13 Appeals to the commission.

(a) Filing of appeals. If a customer or utility disagrees with the decision rendered in the informal hearing or review, the customer or utility may appeal to the commission by writing to the Office of the Secretary to the Public Service Commission, 3 Empire State Plaza, Albany, N.Y. 12223-1350. The appeal should be filed within 15 days after the informal hearing or review decision is mailed.

(b) Requirements for appeals. An appeal must be in writing and be based on one or more of the following grounds:

1. The hearing officer or reviewer made a mistake in the facts in the case or in the interpretation of laws or regulations which affected his or her decision.

2. The hearing officer or reviewer did not consider evidence, presented at the hearing or review, which resulted in an unfavorable decision.

3. New facts or evidence, not available at the time of the hearing or review, have become available which would have affected the decision on the complaint.

12.14 Commission determination.

(a) Parties will be notified of the commission's receipt of the appeal, and a staff member, who has not previously worked on the
complaint, will be assigned to review the request. The staff member will examine all papers submitted in connection with the appeal and advise the commission on the appeal.

(b) The commission will decide the appeal and may uphold, change, reject or return the decision to the informal hearing officer or reviewer for additional consideration. If there is a factual or legal dispute, the commission may order a formal evidentiary hearing on the complaint or make such other decision as it deems appropriate.

(c) The Secretary to the Commission will notify the customer and the utility in writing of the commission's decision and action.

PART 13
RULES GOVERNING THE PROVISION OF SERVICE BY GAS, ELECTRIC AND STEAM CORPORATIONS TO NONRESIDENTIAL CUSTOMERS
(Statutory authority: Public Service Law, 4, 66, 72, 80, 85)

Sec. 13.1 Applicability of rules and definitions
13.2 Applications for service
13.3 Termination of service
13.4 Reconnection of service
13.5 Deferred payment agreements
13.6 Levelized payment plans
13.7 Security deposits
13.8 Meter reading and estimated bills
13.9 Backbilling
13.10 Late payment and other charges
13.11 Contents of bills
13.12 Notice requirements
13.13 Disconnection without notice
13.14 Inspection and examination of utility apparatus
13.15 Complaint-handling procedures
13.16 Severability

Section 13.1 Applicability of rules and definitions.

(a) Applicability. (1) Notwithstanding any other commission rules or orders to the contrary, this Part governs the rights, duties and obligations of every gas, electric and steam corporation or municipality subject to the jurisdiction of the commission by virtue of articles 4 and 4-A of the Public Service Law, their nonresidential customers and the applicants for such nonresidential service.

(2) Nothing in this Part shall modify the commission's rules or orders applicable to the provision of gas, electric or steam service to residential customers under Part 11 of this Title.

(b) Definitions. The following words and terms when used in this Part have the following meanings:

(1) A utility is any gas corporation, electric corporation, gas and electric corporation, steam corporation or municipality; provided, however, that the term shall not include any municipality that is exempt from commission regulation by virtue of section 1005(5)(g) of the Public Authorities Law.

(2) An applicant is a person, corporation or other entity who has requested gas, electric or steam service as a nonresidential customer.

(3) A nonresidential customer is a person, corporation or other
entity, supplied by a utility with gas, electric or steam service under the utility's tariff, and pursuant to an accepted application for service, who is not a residential customer as defined in Part 11 of this Title. The word customer, when used alone in this Part, refers only to a nonresidential customer.

(4) A new customer is a customer who was not the last previous customer at the premises to be served, regardless of whether such customer previously was or is still a customer of the utility at a different location.

(5) A seasonal customer is a customer who applies for and receives utility service periodically each year, intermittently during the year, or at other irregular intervals.

(6) A short-term or temporary customer is a customer who requested service for a period of time up to two years.

(7) A demand customer is a customer who is billed for demand charges.

(8) An actual reading is one obtained by a utility employee from either the meter or a remote registration device attached thereto.

(9) An access controller is a party known to a utility to be in control of access to the metering equipment of a customer, and to have an active account of its own with the utility.

(10) A payment is considered to be made on the date when it is received by a utility or one of its authorized agents.

(11) A late payment is any payment made more than 20 calendar days after the date payment was due. Payment is due whenever specified by a utility on its bill, provided such date does not occur before personal service of the bill or three calendar days after the mailing of the bill.

(12) Arrears are charges for which payment has not been made more than 20 calendar days after payment was due.

(13) A delinquent customer is a customer who has made a late payment on two or more occasions within the previous 12-month period.

(14) A business day is any Monday through Friday when a utility's business offices are open.

(15) A deferred payment agreement is a written agreement for the payment of outstanding charges over a specified period of time. It must be signed in duplicate by a utility representative and the customer, and each must receive a copy, before it becomes enforceable by either party.

(16) A levelized payment plan is a billing plan designed to reduce fluctuations in a customer's bill payments due to varying, but predictable patterns of consumption.

(17) A backbill is that portion of any bill, other than a levelized bill, which represents charges not previously billed for service that was actually delivered to the customer during a period before the current billing cycle. A bill based on an actual reading rendered after one or more bills based on estimated or customer readings (commonly called a catch-up bill), which exceeds by 50 percent or more the bill that would have been rendered under a utility's standard estimation program, is presumed to be a backbill.

(18) Tampered equipment is any service-related equipment that has been subjected either to unauthorized interference so as to reduce the accuracy or eliminate the measurement of a utility's service, or to unauthorized connection occurring after a utility has physically disconnected service.

(19) Utility deficiency means any action or inaction by a utility or
one of its authorized agents that does not substantially conform to the rules and regulations of this Title, the utility's tariff, or the utility's written business procedures.

13.2 Applications for service.

(a) Extension of service. (1) A utility shall either provide or deny service to any applicant as soon as reasonably possible, but no later than 10 calendar days after receipt of a completed application for service or such later time as may be specified by the applicant, except:
   (i) where prevented by labor strikes or other work stoppages;
   (ii) where precluded by consideration of public safety;
   (iii) where precluded by physical impediments, including:
      (a) adverse weather conditions;
      (b) inability to gain access to premises in the possession of the applicant or others;
      (c) incomplete construction of necessary facilities by the applicant or inspection and certification thereof by the appropriate authorities; or
      (d) incomplete construction of necessary facilities by the utility.

(2) A utility shall make reasonable efforts to eliminate conditions preventing extensions of service and shall pursue completion of any facilities it must construct with due diligence.

(3) As a prerequisite to accepting an applicant as a customer, and providing service, a utility may require the applicant to:
   (i) file a written service application containing information sufficient to establish the applicant's identity and responsibility for the premises as either the owner or occupant, the correct service classification, and who controls access to the meter(s) if not the customer;
   (ii) comply with the utility's tariff, or any applicable State, city or local laws or ordinances;
   (iii) fulfill any applicable requirements of Parts 98 and 230 of this Title;
   (iv) make full payment for all amounts due and payable which are not either the subject of a pending billing dispute pursuant to section 13.15 of this Part or of an existing deferred payment agreement that is in good standing, including:
      (a) service provided and billed, in accordance with section 13.11 of this Part, to prior account(s) in the applicant's name or for which the applicant is legally responsible;
      (b) other tariff fees, charges or penalties;
      (c) reasonably chargeable material and installation costs relating to temporary or permanent line or main extensions or service laterals, as required by the utility's tariff and authorized under Parts 98 and 230 of this Title, provided these costs are itemized and given to the applicant in writing;
      (d) special services billable under the utility's tariff, provided these costs are itemized and given to the applicant in writing; and
      (e) a security deposit, if requested by the utility, as long as such deposit is in accordance with section 13.7 of this Part.

(4) A utility shall provide service to any accepted applicant whose application for service was previously denied solely for failure to make full payment as provided in subparagraph (3)(iv) of this subdivision, as soon as reasonably possible, but no later than three business days, or
such later time as may be specified by the applicant, after payment is made, or 10 calendar days after receipt of the original application, whichever is later, except as provided in paragraph (1) of this subdivision.

(b) Service application. (1) A service application shall be available in every utility business office and shall be provided to every applicant for service for whom the filing of a written application is a prerequisite for providing service.

(2) A service application shall contain a section for determining the customer's service classification, which shall include the following:

(i) a conspicuous notice advising the customer that the questions in this section are designed to assist the utility in placing the customer on the proper and the most beneficial service classification; that the utility may rely on this information in classifying the service; that the cost of service may vary under different service classifications; that there are eligibility requirements for each service classification; that a customer may be eligible for service under more than one classification; that one classification may be more beneficial than another; that a description of the common nonresidential service classifications accompanies the application; that the utility's tariff, which describes each service classification in detail, may be examined in every utility business office; that questions about service classification may be discussed with a customer service representative; that if the customer's use of service or equipment changes in the future, the customer must notify the utility of these changes, in order to assure that the customer is being properly billed; and that if the information provided by the customer relevant to service classification is inaccurate or incomplete, the customer may be subject to backbilling on the correct service classification, or may be precluded from receiving a refund for overcharges based on the correct service classification; and

(ii) a comprehensive series of questions relevant to identifying the customer's service classification based on the utility's tariff, such as, but not limited to, the type of business or use, the size and type of equipment on the premises, and the estimated consumption.

(3) A utility may require the submission of appropriate types of documents to substantiate the information provided in the service application, which shall be listed in the application form and shall constitute a part of the application.

(4) A service application may request any other relevant information or documents not inconsistent with this section.

(5) Any utility report relevant to the establishment of the proper service classification for the customer shall be made a part of the service application.

(6) A service application shall contain, close to the place where the applicant signs, a notice that the applicant has the right to request that the utility inspect the metering device in order to assure its accuracy, along with a place for the applicant to indicate whether such inspection is requested; provided, however, that if a utility has a written policy of not backbilling previously unbilled service when the failure to charge for such service resulted from the faulty operation or inoperation of a metering device, which faulty operation or inoperation was not due to the culpable conduct of the customer or his agent, the above notice is not required.
(7) A service application must be signed by the applicant or an authorized agent of the applicant, and a copy must be provided to the applicant or agent. In the case of agents, a utility may require suitable proof of the authorization of the agent.

(c) Denial of application. (1) A utility shall not deny an application for service except in a written notice either delivered personally to the applicant or sent to the applicant's current business address or any alternative mailing address provided in the application.

(2) The written notice of denial shall:

(i) state the reason(s) for the denial;

(ii) specify what the applicant must do to qualify for service; and

(iii) advise the applicant of the right to an investigation and review of the denial by the commission or its authorized designee if the applicant considers the denial to be without justification, and identify the appropriate address and telephone number of the commission.

(3) A utility shall advise any applicant who submits an incomplete application, in writing and within three business days after receipt of the application, of the information and/or documents that must be submitted in order for the application to be considered complete. Such notice shall not itself be considered a denial of the application.

(4) Every utility shall maintain, for a period of not less than one year, service applications that are denied and the utility's written notice of denial.

(d) Utilities shall comply with subdivisions (a) and (b) of this section no later than March 18, 1988.

13.3 Termination of service.

(a) Conditions for termination. (1) Except as provided in paragraph (2) of this subdivision and section 13.13 of this Part, a utility may only terminate service to a customer if it provides advance final notice of the termination and fulfills all other requirements of this section when the customer:

(i) fails to pay any tariff charge due on the customer's account for which a written bill itemizing the charge, in conformance with section 13.11 of this Part, has been sent, except for charges that reflect service used more than six years prior to the time the bill first containing these charges was rendered, which charges must be pursued by other methods of collection;

(ii) fails to pay amounts due under a deferred payment agreement;

(iii) fails to pay a security deposit if in accordance with section 13.7 of this Part;

(iv) fails to provide reasonable access to the premises for necessary or proper purposes in connection with rendering of service, including meter installation, reading or testing, or the maintenance, or removal, or securing, of the utility's property, so long as the requirements of section 13.8(c) of this Part have been met, and the customer has not advised the utility that the customer does not and who does have control over access; or

(v) fails to comply with a provision of the utility's tariff which permits the utility to refuse to supply or to terminate service.

(2) A utility may terminate service to a customer without providing advance notice of the termination and without fulfilling the other requirements of this section when it finds service being supplied through tampered equipment, provided that the utility:
(i) has evidence that the customer opened the account and used the service prior to the creation of the condition or that the customer knew, or reasonably should have known, that service was not being fully billed;

(ii) has rendered a written unmetered service bill in accordance with section 13.11(e) of this Part;

(iii) has made reasonable efforts to provide to a person in charge of the premises:
   (a) the written unmetered service bill; and
   (b) oral notice of the conditions, if any, under which the utility will continue service, which may include the payment by cash, certified check or money order within two hours, of some portion of the bill up to, but not exceeding, 50 percent; and

(iv) has not received the required payment.

(b) Final notice of termination. (1) A final notice of termination shall state:
   (i) the reason(s) for termination, including the total amount required to be paid, if any, and the manner in which termination may be avoided;
   (ii) the earliest date on which termination may occur;
   (iii) the address and phone number of the office of the utility that the customer may contact in reference to his account;
   (iv) that utility procedures are available for considering customer complaints prior to discontinuance;
   (v) that commission procedures are available for considering customer complaints when a customer is not satisfied with the utility's handling of the complaint, including the address and phone number of the appropriate commission office;
   (vi) that it is a termination notice which should be brought to the attention of the utility when the bill is paid;
   (vii) that payment of the charges with a check that is subsequently dishonored may result in immediate termination of service without further notice, if applicable; and
   (viii) that at the time the utility goes to the premises to terminate service, it may require any payment to be made with cash, certified check or money order if the customer has, within the last 24 months, paid with a check that was dishonored.

(2) A final notice of termination may contain any additional information not inconsistent with this Part.

(3) A final notice of termination may not be issued or sent unless at least 20 calendar days have elapsed from the date payment was due, or the date given in a written notice to cure a tariff violation, or as provided in section 13.8(c)(3)(iii) of this Part where the reason for the notice is the failure to provide access, except that a final notice of termination for nonpayment may be issued or sent on or after the date payment was due in the following circumstances:
   (i) when any portion of the charge that the customer has failed to pay is for unmetered service that was being supplied through tampered equipment and for which an unmetered service bill in accordance with section 13.11(e) of this Part has been rendered;
   (ii) when the charge that the customer has failed to pay is the installment amount due in accordance with a deferred payment agreement; or
   (iii) when the utility has accepted a written waiver of the customer's right to be sent a termination notice in accordance with the provisions
of section 13.7(d)(2) of this Part.

(4) A final notice of termination shall not be sent while a complaint is pending before the utility or the commission for nonpayment of the disputed charges or for any other reason that is the subject of the complaint as provided in section 12.3 of this Title. Nothing in this Part bars the utility from sending such notice for nonpayment of undisputed charges or for reasons not at issue in the complaint.

(c) Physical termination of service. (1) A utility shall not terminate service for the reasons set forth in paragraph (a)(1) of this section:

(i) for five calendar days after a final notice of termination has been personally served upon the customer; or

(ii) for eight calendar days after a final notice of termination has been mailed to the customer at the location where service is rendered or to any alternative address for mailing purposes previously provided to the utility.

(2) A utility shall not terminate service under this Part on:

(i) a Saturday or Sunday;

(ii) a public holiday as defined in the General Construction Law;

(iii) a day on which the business offices of the utility are closed for business; or

(iv) a day on which the Public Service Commission is closed.

(3) On days when termination may occur, a utility may terminate service between the hours of 8 a.m. and 6 p.m., except that on days preceding the days listed in paragraph (2) of this subdivision, termination may only occur after 3 p.m. if the customer or any person in charge of the premises is informed prior to termination in a personal contact that termination is about to occur and the utility is prepared to accept a check for any payment required to avoid termination.

(4) A utility shall not terminate service unless it shall have verified on the day termination is scheduled that payment has not been posted to the customer's account as of the opening of business on that day, or shall have complied with procedures established pursuant to paragraph (d)(2) of this section.

(5) Consistent with this section, a utility shall strive to physically terminate service whenever a final notice of termination is sent.

(6) A utility shall not terminate service more than 60 calendar days after issuance of the final termination notice, unless it has, during that time, issued a termination reminder notice that states the current arrears due, if applicable. A utility shall not terminate service more than 90 calendar days after issuance of the final termination notice unless it has, during that time, issued a termination reminder notice that contains all the information required in subdivision (b) of this section.

(7) A utility shall not terminate service while a complaint is pending before the utility or the commission and for eight calendar days after resolution by the utility or by the commission or its authorized designee for nonpayment of the disputed charges or for any reason that is the subject of the complaint as provided in section 12.3 of this Title. Nothing in this Part bars a utility from termination for nonpayment of undisputed charges or for reasons not at issue in the complaint.

(d) Rapid posting of payments. Every utility shall establish written procedures to ensure that any payments made in response to final notices of termination, when the customer brings the fact that such a notice has
been issued to the attention of the utility or its collection agents:
(1) are posted to the customer's account on the day payment is received; or
(2) are processed in some manner so that termination will not occur.
(e) Payment at the time of termination. (1) If a customer claims, at the time that termination for nonpayment is to take place, that payment has already been made and produces a written business record of payment, or claims that there is a complaint pending before the utility or the commission with regard to the charges demanded, the utility's field representative shall make a reasonable effort to verify this information with a utility office representative and shall not terminate service for nonpayment of any verified disputed amount.
(2) If a customer offers payment of the full amount that forms the basis for a scheduled termination at the time of termination, the utility representative shall accept such payment and not terminate service.
(3) If an eligible customer signs a deferred payment agreement, in accordance with section 13.5 of this Part, for the full amount that forms the basis for a scheduled termination and offers payment of the required down payment at the time of termination, the utility representative shall accept such down payment and not terminate service. If the utility allows the customer an extension of time to go to a business office to sign the deferred payment agreement, and the customer agrees to do so and offers payment of the required down payment, the utility representative shall accept such down payment and not terminate service; provided, however, that the utility may terminate service without further notice if the customer fails to sign the agreement within the specified time.
(4) If a customer has, within the last 24 months, paid for service with a check that was dishonored, the utility has the right to accept only cash, certified check or money order as payment under paragraph (2) or (3) of this subdivision.
(5) Whenever payment is made at the time of termination, the utility's field representative shall provide a customer with a receipt showing the date, the account number, the amount received, the form of the payment and either the name or identification number of the utility representative.
(f) Dishonored checks. Receipt of a subsequently dishonored negotiable instrument in response to a notice of termination or tendered to a utility representative, shall not constitute payment of a customer's account and no utility shall be required to issue additional notice prior to termination.
(g) Applicability. (1) Nothing in this section shall affect a utility's right to suspend, curtail or disconnect service:
(i) when there is no customer and service is being provided through tampered equipment;
(ii) when there is no customer and the utility can show that the user will require service for a period of less than one week, provided that it makes a reasonable effort to advise the user before disconnection and to provide the user an opportunity to apply for service;
(iii) when there is no customer and the utility has provided advance written notice to the occupant stating its intent to disconnect service unless the responsible party applies for service and is accepted as a customer, and advising the occupant of the location of the nearest
utility business office where application can be made, either by posting 48 hours or by mailing at least 5 and no more than 30 calendar days before disconnection; or

(iv) as permitted under section 13.13 of this Part.

(2) Nothing in this section shall affect a utility's obligation to comply with the additional requirements set forth in sections 11.7 and 11.8 of this Title relating to termination of service to entire multiple dwellings and two-family homes.

13.4 Reconnection of service.

(a) Obligation to reconnect. (1) A utility shall reconnect service that has been terminated solely for nonpayment of bills for any tariff charge or a security deposit within 24 hours of the customer's request for reconnection, receipt by the utility of the lawful reconnection charge, any other charges, fees or penalties due, legal fees, court costs and disbursements, if applicable, and either:

   (i) the full amount of arrears and/or a security deposit for which service was terminated, and any other tariff charges billed after the issuance of the termination notice which are in arrears at the time reconnection is requested; or

   (ii) the signing of a deferred payment agreement in accordance with section 13.5 of this Part for the amounts set forth in subparagraph (i) of this paragraph, and the receipt of a down payment, if required under the agreement.

(2) A utility shall reconnect service that has been terminated solely for failure to provide access within 24 hours of the customer's request for reconnection, provided the customer has allowed access and has made a reasonable arrangement for future access.

(3) A utility shall reconnect service that has been terminated solely for a violation of the tariff within 24 hours of a customer's request for reconnection and, at the option of the utility, either receipt by the utility of adequate notice and documentation, or a field verification by the utility, that the violation has been corrected; provided, however, that the field verification, if required, shall be arranged within two business days of the customer's request or such later time as may be specified by the customer.

(4) A utility shall reconnect service that has been terminated for two or more independent reasons when the customer has requested reconnection and has satisfied all conditions for reconnection. The reconnection shall be accomplished within the time period applicable to the last condition satisfied under paragraph (1), (2) or (3) of this subdivision.

(5) A utility shall reconnect service that has been terminated within 24 hours after the direction of the commission or its designee, which direction may occur only where the termination was in error, or the customer has filed a complaint with the commission and has either paid in full the undisputed amount established pursuant to section 12.3 of this Title, or has entered into a deferred payment agreement in accordance with section 13.5 of this Part for such amount and has paid the required down payment.

(b) Inability to reconnect. Whenever circumstances beyond a utility's control, as set forth in section 13.2(a)(1)(i)-(iii) of this Part, prevent reconnection of service within 24 hours of any of the events specified in paragraphs (a)(1) -(5) of this section, service shall be reconnected within 24 hours after those circumstances cease to exist.
Deferred payment agreements.

(a) Utility's obligations. (1) A utility shall provide a written notice offering a deferred payment agreement in accordance with this section to an eligible customer at the following times:

(i) not less than five calendar days before the date of a scheduled termination of service for nonpayment of arrears, as indicated on a final termination notice, or eight calendar days if mailed, provided the customer has been a customer for at least six months and the arrears on which the outstanding termination notice is based exceed two months' average billing; and

(ii) when it renders a backbill, which exceeds the cost of twice the customer's average monthly usage or $100, whichever is greater; provided, however, that a utility shall not be required to offer an agreement when the customer knew, or reasonably should have known, that the original billing was incorrect.

(2) If a utility and a customer agree to terms of a deferred payment agreement in a telephone conversation, the utility shall send the customer two fully completed copies of the agreement, signed by the utility, for the customer to sign and return.

(b) Eligibility. (1) Any customer is eligible for a deferred payment agreement except the following:

(i) a customer who owes any amounts under a prior deferred payment agreement;

(ii) a customer who failed to make timely payments under a prior deferred payment agreement in effect during the previous 12 months;

(iii) a customer that is a publicly held company, or a subsidiary thereof;

(iv) a seasonal, short-term or temporary customer;

(v) an electric customer who, during the previous 12 months, had a combined average monthly billed demand for all its accounts with the utility in excess of 20 kw, or who registered any single demand on any account in excess of 40 kw;

(vi) a gas customer who during the previous 12 months had a combined total consumption for all its accounts with the utility in excess of 4,000 therms;

(vii) a steam customer who during the previous 12 months had a combined total consumption for all its accounts with the utility in excess of 1,000 Mlbs;

(viii) a customer of any two or more services (gas, electric and steam) who is ineligible under subparagraph (v), (vi) or (vii) of this paragraph; or

(ix) a customer who the utility can demonstrate has the resources to pay the bill, provided that the utility notifies the customer of its reasons and of the customer's right to contest this determination through the commission's complaint procedures.

(2) The commission or its authorized designee may order a utility to offer a deferred payment agreement in accordance with this section to a customer whom it finds this section intended to protect, when an agreement is necessary for a fair and equitable resolution of an individual complaint.

(c) Contents of offer. (1) Every offer of a deferred payment agreement shall inform the customer of the availability of a deferred payment agreement for eligible customers, set forth generally the minimum terms
to which such customer is entitled, explain that more generous terms may be possible, and specify the telephone number and the times to call in order to discuss agreement.

(2) An offer pursuant to subparagraph (a)(1)(i) of this section shall also state the date by which the customer must contact the utility in order to avoid termination, and explain that the utility has the right to a larger down payment if the deferred payment agreement is not entered into until after a field visit to physically terminate service has been made.

(d) Terms of agreement. (1) A deferred payment agreement shall obligate the customer to make timely payments of all current charges.

(2) A deferred payment agreement offered pursuant to subparagraph (a)(1)(i) of this section may require the customer:

(i) to make a down payment of up to 30 percent of the arrears on which an outstanding termination notice is based, or the cost of twice the customer's average monthly usage, whichever is greater, plus the full amount of any charges billed after the issuance of the termination notice which are in arrears at the time the agreement is entered into; or

(ii) in the event a field visit to physically terminate service has been made, to make a down payment of up to 50 percent of the arrears on which an outstanding termination notice is based, or the cost of four times the customer's average monthly usage, whichever is greater, plus the full amount of any charges billed after the issuance of the termination notice which are in arrears at the time the agreement is entered into; and

(iii) to pay the balance in monthly installments of up to the cost of the customer's average monthly usage or one sixth of the balance, whichever is greater; and

(iv) to pay late payment charges during the period of the agreement; and

(v) to pay a security deposit in three installments, 50 percent down and two monthly payments of the balance, if previously requested in accordance with section 13.7 of this Part.

(3) A deferred payment agreement offered pursuant to subparagraph (a)(1)(ii) of this section, may require the customer to pay the outstanding charges in monthly installments of up to the cost of one half of the customer's average monthly usage, or one twenty-fourth of such charges, whichever is greater.

(4) A deferred payment agreement may provide for a greater or lesser down payment, a longer or shorter period of time, and payment on any schedule, if mutually agreed upon by the parties.

(e) Form of agreement. A deferred payment agreement form shall:

(1) set forth in general the terms of the agreement;

(2) indicate the due date for each installment, and the exact dollar amount of each installment, separately itemized to show the arrears payment and the security deposit payment, as applicable;

(3) indicate whether the agreement is subject to late payment charges, and if so, either set forth the exact dollar amount of the late payment charge to be paid with each installment or, if late payment charges are to be billed on the customer's regular cycle bill, a late payment charge disclosure statement. The disclosure statement shall include the late payment charge rate, on both a monthly and an annualized basis, how it is calculated, how and when the late payment charge will be billed, what
the total cost of late payment charges on the agreement will be if the agreement is fully complied with, and a notice that the total late payment charges may be greater or less than the disclosed cost if the customer makes payments either early or late;

(4) state the date by which the copy signed by the customer, and any applicable down payment, must be received by the utility in order to become enforceable; provided, however, that such date may not be less than six business days after it is sent;

(5) inform the customer of the utility's policy if the agreement is not signed and returned as required;

(6) state that if the customer fails to comply with an agreement, the utility may send an immediate termination notice; and

(7) state that the customer may obtain the assistance of the commission to assure that the agreement is in conformance with this section.

(f) Broken agreements. (1) The first time a customer fails to make timely payment in accordance with a deferred payment agreement, the utility shall give the customer a reasonable opportunity to keep the agreement in force by paying any amounts due under the agreement.

(2) Except as provided in paragraph (1) of this subdivision, if a customer fails to comply with the terms of a deferred payment agreement, the utility may demand full payment of the total outstanding charges and send a final termination notice in accordance with section 13.3(b)(3)(ii) of this Part.

(g) Utilities shall comply with this section no later than March 18, 1988.

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13.6 Levelized payment plans.

(a) Obligation to offer. A utility shall provide a written notice offering a voluntary levelized payment plan designed to reduce fluctuations in payments caused by seasonal patterns of consumption to its eligible customers at least once in each 12-month period.

(b) Eligibility. A utility shall be required to offer a levelized payment plan to all customers except:

(1) customers who have less than 12 months of billing history at the premises;

(2) seasonal, short-term or temporary customers;

(3) customers who have arrears;

(4) interruptible, temperature-controlled, or dual-fuel customers;

(5) customers who, for any reason, ceased being billed on a previous levelized payment plan before the end of the plan year in the past 24 months; or

(6) customers whose pattern of consumption is not sufficiently predictable to be estimated on an annual basis with any reasonable degree of certainty.

(c) Utility procedure. A utility shall establish a written procedure and billing system to implement this section, which procedure:

(1) sets forth a method for establishing an eligible customer's monthly or bimonthly levelized payment amount which shall take into consideration the best available relevant factors, including the utility's standard estimation factors, projected rates, fuel adjustment charges, and taxes;

(2) sets forth a method for comparing the actual cost of service rendered, as determined by actual meter readings and any rate increases
or decreases, to the levelized payment amount, and for adjusting upwards or downwards the levelized payment amount to minimize the adjustment required on the final settlement bill, which comparison shall be done not less than two nor more than four times annually, and at the end of the plan year;

(3) provides that each levelized bill clearly identifies the total of the levelized payment amounts billed and the total of the actual dollar value of the consumption used during the period covered by the current bill;

(4) provides that a final levelized settlement bill, which is rendered at the end of the plan year, when the customer requests removal from the levelized payment plan, or when the utility removes the customer from the levelized payment plan:

(i) sets forth a reconciliation between the total levelized payment amount billed, the cost of service actually used and the amounts paid during the plan period; and

(ii) if payment was received in excess of the cost of service actually used during the plan period, advises the customer of the utility's policy regarding return of the excess payment, which policy may not permit the utility to credit to the customer's account more than the levelized payment or estimated amount of the next cycle bill, and must provide for the issuance of a refund check for any balance within 30 calendar days of the rendering of the final levelized settlement bill;

(5) requires that when the levelized payment amount is revised, the customer be provided with a general description of such revision calculation, and a telephone number to call at the utility for a more detailed explanation of the revision; and

(6) limits enrollment to the plan to a time of year when the customer will not be subject to undue disadvantage.

(d) Removal of levelized payment plan. (1) A customer may request that the utility remove the customer from the levelized payment plan and reinstate regular billing at any time, in which case the utility may immediately render a final levelized settlement bill, and shall do so no later than by the time of the next cycle bill that is rendered more than 10 business days after the request.

(2) A utility may only remove a customer from its levelized payment plan if the customer becomes ineligible under subdivision (b) of this section, and provided that the utility has given the customer an opportunity to become current in payment, if delinquency is the cause of the customer's ineligibility, provided further that such opportunity need only be given once in any 12-month period.

(e) Utilities shall comply with this section no later than March 18, 1988.

13.7 Security deposits.

(a) Deposit requirement. (1) A utility may only require the payment of a security deposit from:

(i) a new customer; or

(ii) an existing customer:

(a) who is delinquent;

(b) whose financial condition is such that it is likely that the customer may default in the future; provided, however, that the utility must have reliable evidence of such condition, such as reports from accepted financial reporting services or credit reporting agencies;
(c) who has filed for reorganization or bankruptcy; or
(d) who has been rendered a backbill within the last 12 months for previously unbilled charges for service that came through tampered equipment.

(2) A utility shall offer an existing customer, from whom a deposit is required under clauses (1)(ii)(a) or (b) of this subdivision, the opportunity to pay the deposit in three installments, 50 percent down and two monthly payments of the balance.

(3) A utility shall establish a written procedure covering its deposit policy and practice.

(4) A request for a deposit or deposit increase shall be in writing and shall advise the customer:
   (i) why the deposit is being requested;
   (ii) how the amount of the deposit was calculated;
   (iii) that the deposit is subject to later upward or downward revision based on the customer's subsequent billing history;
   (iv) that the customer may request that the utility review the account in order to assure that the deposit is not excessive;
   (v) the circumstances under which the deposit will be refunded;
   (vi) that the customer will receive annual notice of the interest credited to the account;
   (vii) about the available deposit alternatives; and
   (viii) that for an existing customer from whom the deposit is being requested because of delinquency or financial condition, the deposit may be paid in three installments.

(5) A utility shall issue, to every customer from whom a deposit is obtained, a receipt showing the date, the account number, the amount received, the form of the payment, and shall contain a notice explaining the manner in which interest will accrue and be paid and that the receipt is neither negotiable nor transferable.

(b) Deposit calculation. (1) The amount of a deposit shall not exceed the cost of twice the customer's average monthly usage, except in the case of customers whose usage varies widely such as space-heating or -cooling customers, or certain manufacturing and industrial processors, where the deposit shall not exceed the cost of twice the average monthly usage for the peak season.

(2) In the case of an existing customer who has 12 months or more of billing history, the amount of the deposit shall be based on service used during the previous 12-month period as evidenced by the billing history.

(3) In the case of a new customer or a customer with less than 12 months of billing history, the amount of the deposit shall be based on one or more of the following, as available:
   (i) the billing history of the customer;
   (ii) information provided in the application by the customer about the expected load and use of service;
   (iii) information contained in a load study of the premises prepared by the utility; and
   (iv) the billing history of the previous customer, provided there have been no significant changes in the load.

(c) Deposit review. (1) A utility shall, at the first anniversary of the receipt of the deposit and at least biennially thereafter, review the billing history of every customer who has a deposit with the utility, to assure that the amount of the deposit conforms to the
limitations contained in subdivision (b) of this section. This requirement does not limit the right of a utility to review a deposit at any time.

(i) If a deposit review shows that the deposit held falls short of the amount that the utility may lawfully require by 25 percent or more, the utility may require the payment of a corresponding additional deposit amount from the customer.

(ii) If a deposit review shows that the deposit held exceeds the amount that the utility may lawfully require by 25 percent or more, the utility shall refund the excess deposit to the customer in accordance with subdivision (f) of this section.

(2) Upon request of a customer for a downward revision of the deposit, which request is substantiated both by the customer's billing history and by a permanent documented change in load and consumption, a utility shall refund any portion of the deposit in excess of the amount the utility may lawfully require in accordance with subdivision (f) of this section.

(d) Deposit alternatives. (1) A utility shall accept deposit alternatives which provide a level of security equivalent to cash, such as irrevocable bank letters of credit and surety bonds.

(2) A utility may, at its discretion, accept from the customer, in lieu of a deposit, a written promise to pay bills on receipt and a written waiver of the customer's right to be sent a final termination notice until 20 calendar days after payment is due.

(e) Interest. (1) Every cash deposit shall accrue interest at a rate prescribed at least annually by the commission in light of the current economic conditions and current charges paid for money borrowed by such utility, taking into account the expenses incurred by such utility in obtaining, handling, returning or crediting the sum deposited.

(2) Interest shall be paid to the customer upon the return of the deposit, or, where the deposit has been held for a period of one year or more, the interest shall be credited to the customer no later than the first bill rendered after the next succeeding first day of October and at the expiration of each succeeding one-year period.

(3) Interest shall be calculated on the deposit until the day it is applied as a credit to an account or the day on which a refund check is issued. If the deposit is credited in part and refunded in part, interest shall be calculated for each portion up to the day of credit and refund.

(f) Deposit return. (1) A utility shall return a deposit or portion thereof, plus the applicable interest, in accordance with paragraphs (2) and (3) of this subdivision, as soon as reasonably possible, but no more than 30 calendar days after:

(i) the day an account is closed;

(ii) the issuance date of the first cycle bill rendered after a three-year period during which all bills were timely paid, provided there is no other basis for the utility to request a deposit under subparagraph (a)(1)(ii) of this section; or

(iii) a review pursuant to subdivision (c) of this section shows that deposit reduction is warranted.

(2) A deposit or portion thereof plus the applicable interest that is subject to return under paragraph (1) of this subdivision:

(i) shall be credited to the account it secured in the amount of any outstanding charges;
(ii) may be credited to the account it secured in the amount of the next projected cycle bill, if applicable; and

(iii) may be credited to any other account of the customer not secured by a deposit, in the amount of the arrears on that account.

(3) If a balance remains after a utility has credited the customer's account(s) in accordance with paragraph (2) of this subdivision, a refund check shall be issued to the customer.

(g) Utilities shall comply with this section no later than March 18, 1988.

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13.8 Meter reading and estimated bills.

(a) Meter reading. (1) A utility shall make a reading attempt, to obtain an actual reading for every customer's account, on the regularly scheduled basis provided for in its tariff.

(2) A reading attempt requires that a meter reader visit the premises between 8 a.m. and 5 p.m. on a business day, and follow any routine access instructions.

(3) Where circumstances beyond a utility's control prevent the utility from making a regularly scheduled reading attempt and where the two previous consecutive cycle bills were not based on an actual reading, the utility shall make a second similar follow-up reading attempt as soon as possible and within seven calendar days after the scheduled reading date.

(4) Where a utility did not obtain an actual reading from the meter(s) of a demand account at the time of a regularly scheduled or follow-up reading attempt, the utility shall make another reading attempt as soon as possible and within seven calendar days after its last attempt.

(5) Where a utility has billed a customer's account based on the readings of a remote registration device for six consecutive months, the utility shall, at the time of every subsequent reading attempt and, until successful, try to gain access to and read the meter.

(6) Where a utility has billed a customer's account based on customer readings for six consecutive months, and did not obtain an actual reading at the time of the next regularly scheduled or follow-up reading attempt thereafter, the utility shall, within seven calendar days after its last attempt, either make another reading attempt or an appointment with the customer to read the meter.

(7) Unless a customer does not have access to the meter or the customer will be unable to obtain a reliable meter reading, the utility shall, at the time of any unsuccessful reading attempt, leave at the premises or mail to the customer a meter-reading card for the nondemand meter.

(b) Estimated bills. (1) A utility may render an estimated bill for a regular cycle billing period only when:

(i) the utility has failed to obtain access to the meter(s);

(ii) circumstances beyond the control of the utility made obtaining an actual reading of the meter(s) extremely difficult, despite having access to the meter area; provided, however, that estimated bills for this reason may be rendered no more than twice consecutively without the utility advising the customer in writing of the specific circumstances and the customer's obligation to have the circumstances corrected;

(iii) the utility has good cause for believing that an actual or customer reading obtained is likely to be erroneous; provided, however, that estimated bills for this reason may be rendered no more than twice
consecutively without the utility initiating corrective action before the rendering of the next cycle bill;

(iv) circumstances beyond the control of the utility prevented the meter reader from making a premises visit;

(v) an actual reading was lost or destroyed; provided, however, that an estimated bill for this reason shall be rendered no more than once without the utility initiating corrective action before the rendering of the next cycle bill;

(vi) an estimated reading has been prescribed or authorized by the commission for a particular billing cycle;

(vii) an estimated reading is the approved billing method in accordance with the utility's tariff for the billing; or

(viii) an unmetered condition was in existence during the period.

(2) Every estimated bill shall be calculated in accordance with an established formula or methodology which shall take into account the best available relevant factors for determining the customer's energy usage and, if applicable, demand usage.

(c) No-access procedure. (1) A utility shall begin providing no-access notices as described in this subdivision, commencing with:

(i) the second consecutive bill estimated pursuant to either subparagraph (b)(1)(i) or (ii) of this section in the case of accounts billed for demand;

(ii) the fourth consecutive bill estimated pursuant to either subparagraph (b)(1)(i) or (ii) of this section in the case of accounts not billed for demand; or

(iii) the 10th consecutive bill estimated pursuant to subparagraph (b)(1)(i) or (ii) of this section or based on a remote registration device or a customer reading.

(2) The no-access notices and charges described in this subdivision shall be directed only to the access controller. In any case where the access controller is not the customer of the subject account, a copy of these no-access notices shall also be sent to the customer at the same time.

(3) The series of no-access notices shall be as follows:

(i) The first notice shall advise the access controller that unless access to the customer's meter is provided on the next meter reading date, or a special appointment to read the meter is made and kept by the access controller prior to that date, a no-access charge will be added to the access controller's next bill and to every bill thereafter until access to the customer's meter is provided, but that no charge will be imposed if an appointment is arranged and kept. The notice shall advise the access controller that the utility will arrange a special appointment for a reading of the customer's meter if the access controller calls a specified telephone number. Where the access controller is not the customer of the subject account, the notice shall begin by stating that the utility records indicate that the recipient is the party who controls access to the meter of the customer, specifically identified as to address, part supplied, and account number, and that the utility has not been provided access to the customer's meter as required.

(ii) The second notice shall advise the access controller of the no-access charge that has been added to the access controller's bill and that, unless access to the customer's meter is provided on the next meter-reading date or a special appointment to read the meter is made
and kept by the access controller prior to that date, another charge will be added to the access controller's next bill. The notice shall further explain that if the access controller's service can be physically terminated without obtaining access, steps to terminate service will follow, and that in the event that the access controller's service cannot be physically terminated, steps to obtain a court order to gain access to the customer's meter will follow. The notice shall advise the access controller that the utility will arrange a special appointment for a reading of the customer's meter if the access controller calls a specified number.

(iii) The third and each successive notice shall advise the access controller of the no-access charge that has been added to the access controller's bill and, if the access controller's service can be terminated without obtaining access, shall be accompanied by a final notice of termination for nonaccess. In any case where the access controller's service cannot be physically terminated without obtaining access, the notice shall advise the access controller that the utility is seeking to obtain a court order to gain access to the customer's meter.

(4) A no-access charge as provided for in the utility's tariff shall not exceed $100.

(5) No more than $100 per building or premises shall be added to any single bill of the access controller even though more than one meter is located there.

(6) A utility may, at its discretion, suspend temporarily the issuance of no-access notices and/or penalties under this subdivision if the access controller contacts the utility and provides a legitimate reason for postponing the provision of access; provided, however, that such suspension may not be utilized in the case of any account that is billed for demand charges and in no event for more than 90 calendar days.

(d) Utilities shall comply with this section no later than March 18, 1988.

13.9 Backbilling.

(a) Notice. (1) Every backbill shall contain a written explanation of the reason for the backbill that shall be sufficiently detailed to apprise the customer of the circumstances, error or condition that caused the underbilling, and, if the backbill covers more than a 24-month period, a statement setting forth the reason(s) the utility did not limit the backbill under subdivision (c) of this section.

(2) Every backbill shall contain, or be accompanied by, all required information applicable under section 13.11 of this Part.

(3) Every backbill covering more than a one-month period, other than a catch-up backbill, shall contain a notice that the customer may obtain upon request a detailed billing statement showing how the charges were calculated, including any late payment charges. All catch-up backbills shall clearly indicate how the backbill was calculated, whether as if the service were used during the current cycle, or as if redistributed back to the last actual reading.

(4) A backbill shall be accompanied by an offer of a deferred payment agreement in accordance with section 13.5 of this Part, if applicable.

(b) Limitations on backbill rendering. (1) A utility shall not render a backbill more than six months after the utility actually became aware of the circumstance, error or condition that caused the underbilling,
unless a court extends the time to render a backbill.

(2) A utility shall not upwardly revise a backbill unless the first backbill explicitly stated that the utility reserved the right to do so, the revised backbill is rendered within 12 months after the utility actually became aware of the circumstance, error or condition that caused the underbilling, and:

(i) the customer knew or reasonably should have known that the original billing or the first backbill was incorrect; or

(ii) new information shows that the first backbill was incorrect.

(3) A utility shall render a downwardly revised backbill as soon as reasonably possible and within two months after the utility becomes aware that the first backbill was excessive.

(4) A utility shall not render a backbill for any underbilling when the reason for the underbilling is apparent from the customer's service application, or could have been revealed in a service application and the utility failed to obtain and retain one.

(c) Limitations on backbilling period. (1) When the failure to bill at an earlier time was due to utility deficiency, a utility shall not bill a customer for service rendered more than 12 months before the utility actually became aware of the circumstance, error or condition that caused the underbilling, unless the utility can demonstrate that the customer knew or reasonably should have known that the original billing was incorrect.

(2) A utility shall not bill a customer for service rendered more than 24 months before the utility actually became aware of the circumstance, error or condition that caused the underbilling, unless the utility can demonstrate that the customer knew or reasonably should have known that the original billing was incorrect.

(d) Rebilling of estimated demands. (1) A utility shall not upwardly revise an estimated demand unless it can demonstrate that, for the period during which the demand was estimated, it complied with the meter-reading requirements and the no-access procedures of section 13.8 of this Part.

(2) All revised demands shall be based on the best available information, including the customer's present and historical energy consumption and load factor.

(3) No revised demand shall exceed 95 percent of the subsequent actual demand, unless the utility has, along with the estimated demand bill, offered a special appointment to read the meter, and the customer failed to arrange and keep such appointment, in which case the estimated demand may be revised up to the level of the subsequent actual demand.

(4) A utility shall downwardly revise any estimated demand that exceeds the subsequent actual demand, within 30 calendar days after such actual demand was obtained.

(5) A utility may only upwardly revise an estimated demand within 60 calendar days after the subsequent actual demand was obtained.

(e) Utilities shall comply with this section no later than March 18, 1988. 

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13.10 Late payment and other charges.

(a) Late payment charges. A utility may impose a continuing late payment charge as provided for in its tariff on:

(1) the balance of any bill for service, including levelized bills and any unpaid late payment charge amounts applied to previous bills, which
bill is not paid within 20 calendar days of the date payment was due;
(2) the amount billed for service used that was previously unbilled because the service was being provided through tampered equipment, and the utility can demonstrate either that the condition began since the customer initiated service or that the customer actually knew or reasonably should have known the original billing was incorrect; and
(3) the balance due under a deferred payment agreement offered pursuant to section 13.5(a)(1)(i) of this Part.

(b) Other charges. Except as provided in this section, a utility may not charge any customer a late payment charge, penalty, fee, interest or other charge of any kind for any late payment or deferred payment agreement occasioned by the customer's failure to make timely payment for services. Nothing in this section shall prohibit a utility from imposing a reasonable charge pursuant to its tariff for other lawful purposes, such as for a dishonored check, for reconnection of service, the failure to provide access, or court costs.

13.11 Contents of bills.
(a) Generally. (1) Only service(s) performed, materials furnished or other charges made by the utility, in accordance with its filed tariff, may be included and shall be itemized on the applicable bill form. Whenever the bill form, by reason of size limitations, does not permit itemization, totals may be utilized, provided the charges making up such totals are itemized and sent with the bill.
(2) Nothing in this section shall preclude a utility from providing pertinent messages and information on the bill, provided such information does not interfere with the presentation of the information required by this section.
(b) All bills. Every utility bill shall state on the portion retained by the customer:
(1) the name of the corporation, partnership or person that furnished the service; and if the service is furnished by a corporation that is owned or controlled by another company, or constitutes part of a system, the bill may so indicate by the use of a symbol or a statement to that effect;
(2) the location of the utility's principal office and one or more business offices at which the bill may be paid, and a statement that bills may be paid at other authorized offices;
(3) the service classification(s) on which the charges were based;
(4) the name of the customer, the account or meter number, and the address and location of the premises where the service was supplied;
(5) the start and end date of the billing period;
(6) the quantity of service billed, the unit of measurement used, an explanation of any calculations or factors used to determine the cost of service, a description and the cost of any other tariff charges, and the total of the current charges;
(7) the date payment is due; provided, however, that such date may not occur before personal service of the bill or three calendar days after the mailing of the bill. A phrase indicating that a bill is due upon receipt may be used in lieu of a specific date;
(8) whether any charge will be imposed for late payment, and the date by which payment must be received in order to avoid the imposition of the late payment charge;
(9) an explanation of any abbreviation or symbol used that is not in
common English usage; and

(10) a telephone number to call at the utility if the customer has any questions about the bill.

(c) Cycle bills. Every utility bill issued on a regular cycle basis shall contain, in addition to the items required under subdivision (b) of this section:

(1) the registered demand for every demand meter, whether or not the customer is presently subject to a demand charge;
(2) the date of the latest payment received or the date through which any payments have been credited and the debit or credit balance carried over from the prior bill, if any;
(3) the amount of any late payment charge applied during the current billing cycle; and
(4) the next scheduled meter-reading date, except where the utility is unable to adhere to a fixed meter-reading schedule.

(d) Metered service bills. Every utility bill for metered service shall contain, in addition to the items required under subdivision (b) of this section:

(1) for every cumulative energy and demand meter, the indices being used to calculate the bill, whether they are based on an actual reading of the meter, a remote register, a customer-provided reading, or an estimated; and if estimated, the reason therefor; and
(2) the meter multiplier or constant for each meter.

(e) Unmetered service bills. Every utility bill for unmetered service, whether use of such service was authorized or unauthorized by the utility, shall contain, in addition to the items required under subdivision (b) of this section:

(1) a clear statement that the bill is for an estimated amount of service utilized but not metered; and
(2) the per-day or other basis used for calculating the amount of the service billed.

(f) Levelized bills. Every levelized bill shall contain, in addition to the items required under subdivision (b) of this section, the total service charges incurred, the total of levelized bills rendered from the beginning of the levelized year to the end of the period covered by the current bill and the amount of the difference between the two.

(g) Utilities shall comply with this section no later than March 18, 1988.

13.12 Notice requirements.

(a) Annual notice of rights. (1) A utility plant shall, at the time of application for service, and at least annually after service is initiated, provide applicants and customers with a brochure containing a detailed summary of their rights and obligations under this Part, a notice describing the commonly used nonresidential service classifications and their rates, an offer of written guidelines regarding eligibility requirements for the utility's service classifications, notice that the utility's tariff is available for review in every utility business office, and notice that some nonresidential customers may be eligible for protections under Part 11 of this Title.

(2) The notice required at the time of application for service shall be provided with the service application to an applicant from whom a written application is required, and by mail within 30 calendar days of
the request for service to an applicant from whom a written application
is not required.

(b) Periodic notices. (1) An accounting for the deposit held on an
account, showing the interest earned during the current year and either
the date the deposit was obtained or the length of time that the deposit
has been held, shall be provided annually to every customer having a
deposit with the utility.

(2) A notice explaining how an increase in the customer's usage might
require the utility to install a demand meter and, in some cases, the
customer to make electric installation modifications, shall be provided
annually to every non-demand electric customer.

(3) A notice, explaining how a change in the recorded demand may cause
the service classification on which the charges are based to be changed,
shall be provided annually to every electric customer with a demand
meter.

(4) A notice, advising the customer of any change made in the
customer's service classification and reason for the change, shall be
provided to the customer at the time of the change.

(5) A notice advising the customer whether the utility records show
that the customer, or some other party, has control over access to the
meter, that the customer has an obligation to tell the utility who
controls access, and that if the utility records that show the customer
has access are not corrected, the customer may be subject to future
notices and penalties due to the utility's failure to obtain access,
shall be provided to every customer at the time a second consecutive
estimated bill is rendered.

(6) A notice explaining the utility's right to revise estimated demand
charges, that such revision may be to the customer's disadvantage and
that revision of demand charges may be avoided by arranging access,
shall be provided to every demand customer at least annually and
whenever an estimated demand bill is rendered.

(c) Format. Notices, brochures, forms and bills required by this Part,
and any other written informational material for customers, shall be in
plain language and printed in a format and type size that is clear and
easy to read.

(d) Filing. All notices, brochures, forms and bills required by this
Part, along with the intended program for their use, shall be filed by a
utility, prior to their circulation, with the Consumer Services
Division.

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13.13 Disconnection without notice.

(a) Emergency disconnections. A utility may only suspend, curtail or
disconnect service to a building, unit or piece of equipment, without
the notice required under section 13.3 of this Part, when:

(1) an emergency may threaten the health or safety of a person, a
surrounding area, or the utility's generation, transportation or
distribution systems;

(2) there is a need to make permanent or temporary repairs, changes or
improvements in any part of the system;

(3) there is a governmental order or directive requiring the utility
to do so.

(b) Notice. A utility shall, to the extent reasonably feasible under
the circumstances, provide advance notice to those whose service will be
interrupted for any of the above reasons.
(c) Restoration of service. A utility shall act promptly to restore service as soon as possible after disconnection under this section; provided, however, that service need not be restored to any building, unit, or piece of equipment if, at the time restoration is to occur, the utility has the lawful right to terminate service for another reason pursuant to this section or section 13.3 of this Part.

13.14 Inspection and examination of utility apparatus.

(a) Right to inspect. A duly authorized officer or agent of the utility may enter, at all reasonable times, any building or other location supplied with service by the utility, for the inspection and examination of meters, pipes, fittings, wires and works for supplying or regulating the supply of gas, electricity or steam, and of ascertaining the quantity of gas, electricity, or steam supplied, provided such agent exhibits a photo-identification badge and written authority as provided in section 65(9) of the Public Service Law.

(b) Duty to inspect. Except to the extent prevented by circumstances beyond its control, a utility shall conduct a field inspection as soon as reasonably possible and within 60 calendar days of the following:

1. a request contained in a service application pursuant to section 13.2(b)(6) of this Part;
2. a reasonable customer request;
3. the issuance of a field inspection order in accordance with an automatic utility bill review program;
4. notification from any reasonable source that service may not be correctly metered; or
5. a directive by the commission or its authorized designee.

(c) Penalty. A customer who, at any time, directly or indirectly prevents or hinders a duly authorized officer or agent of the utility from entering the building or location, or from making an inspection or examination, at any reasonable time, may be billed a $100 penalty charge for each such offense as provided in section 65(9)(b) of the Public Service Law, so long as such charge is contained in the utility's tariff.

(d) Other rights. Nothing contained in this section shall be construed to impair a utility's rights as to any other person who prevents access to utility meters and/or equipment.

13.15 Complaint-handling procedures.

(a) Complaints to a utility. (1) A utility shall establish a written procedure for the handling of customers' complaints to the utility, which shall allow for the acceptance and processing of complaints submitted in a simple manner and form. Such procedure shall require that complaints be promptly acknowledged, fairly investigated in a reasonable period of time, and that the results of such investigations be promptly reported to the complainants in plain language.

(2) A utility shall refrain from sending a final notice of termination or from terminating service after the filing of a complaint with the utility as set forth in section 13.3(b)(4) and (c)(7) of this Part.

(3) If the report of the investigation is made orally, a utility shall provide the customer with the report in writing upon request.

(4) At the time a utility communicates its final response to a customer's complaint, it shall, if the complaint resolution is wholly or partially in the utility's favor, inform the customer of the
commission's complaint-handling procedures, including the commission address and telephone number.

(b) Complaints to the commission. (1) If a customer is unable to reach a satisfactory resolution of a dispute with a utility, the customer may complain, either orally or in writing, to the commission, pursuant to Part 12 of this Title.

(2) The complaint of a customer to the commission shall be handled in accordance with the procedures set forth in Part 12 of this Title.

13.16 Severability.

If any provision of this Part is held invalid by a court of competent jurisdiction, such invalidity shall not affect other provisions which can be given effect without the invalid provision.

PART 14

RULES GOVERNING THE PROVISION OF SERVICE BY CERTAIN WATER CORPORATIONS TO RESIDENTIAL CUSTOMERS

(Statutory authority: Public Service Law, ññ 31-50)

Sec.
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14.20 Utility compliance

Section 14.1 Purpose.

This Part sets forth the commission's rules implementing the Home Energy Fair Practices Act as it applies to residential customers of waterworks corporations with annual gross revenues in excess of $250,000 (L. 1986, ch. 176). That act establishes as State policy that the continued provision of water service to such residential customers without unreasonable qualifications or lengthy delays is necessary for the preservation of the health and general welfare and is in the public interest. Every right and duty under this Part imposes an obligation of good faith, honesty and fair dealing in its performance and enforcement. The provisions of this Part must be interpreted so as to fulfill its purpose and policy.

14.2 Applicability of rules and definitions.
(a) Applicability. (1) This Part governs the rights, duties and obligations of every waterworks corporation with annual gross revenues in excess of $250,000 subject to the jurisdiction of the commission by virtue of article 4-B of the Public Service Law, their residential customers and applicants for residential service, regardless of any other conflicting commission rule or order.

(2) Nothing in this Part modifies the commission's rules or orders regarding the provision of water service to nonresidential customers, or residential customers of waterworks corporations with annual gross revenues equal to or less than $250,000.

(b) Definitions. The following words and terms when used in this Part have the following meanings:

(1) An access controller is a party known to a utility to be in control of access to the metering equipment at a customer's premises and to have an active account of its own with the utility.

(2) An actual reading is one obtained by a utility employee from the meter or from a device which receives a reading transmitted from the meter itself.

(3) An applicant is a person who has made a request or has had a request made by a third party on his or her own behalf, for water service for his or her own residential use.

(4) Arrear are charges for which payment has not been made more than 20 calendar days after payment was due. A payment is considered to be made on the date when it is received by the utility or one of its authorized agents. Payment is due whenever specified by a utility on its bill, as long as the date is not before the bill is hand-delivered to the customer, or less than three calendar days after the bill is mailed.

(5) A backbill is any bill or any portion of a bill, other than a levelized bill, which represents charges for service that was actually delivered to the customer's premises during a period before the current billing cycle, which was not previously billed.

(6) A blind person is a person who has central visual acuity of 20/200 or less in the better eye with the use of a correcting lens. An eye with a limitation in the fields of vision such that the widest diameter of the visual field subtends an angle no greater than 20 degrees, shall be considered as having a central visual acuity of 20/200 or less.

(7) A business day is any Monday through Friday when a utility's business offices are open.

(8) A cold weather period is that period of time beginning November 1st of each year and ending April 15th of the following year.

(9) The commission is the New York State Public Service Commission.

(10) The Consumer Services Division is the Consumer Services Division of the New York State Department of Public Service.

(11) Current charges, as used in section 14.7 or 14.8 of this Part, refer to the amount properly billed to a party responsible for service to a multiple dwelling, as defined in paragraph (17) of this subdivision, or a two-family dwelling, as defined in paragraph (21) of this subdivision, for the billing period covered by the first bill rendered on or after the date the required notice is posted. Current charges do not include any arrears for earlier billing periods.

(12) A deferred payment agreement or payment agreement is a written agreement for the payment of outstanding charges over a specific period of time.

(13) A delinquent customer is a customer who has made two or more
consecutive late payments, as defined in paragraph (16) of this subdivision, within the previous 12 months.

(14) A disabled person is a person with a physical, mental, or medical impairment resulting from anatomical, physiological or neurological conditions which prevents the exercise of a normal bodily function or is demonstrable by medically accepted clinical or laboratory diagnostic techniques, as defined in the Human Rights Act (Executive Law, section 292(21)); or a person who is unable because of mental or physical problems to manage his or her own resources or to protect himself or herself from neglect or hazardous situations without the assistance of others.

(15) Heat-related service is water service which is necessary for the on-going operation of a customer's primary heating system.

(16) A late payment is any payment made more than 20 calendar days after the date payment was due, in accordance with paragraph (4) of this subdivision.

(17) A multiple dwelling is a dwelling designed to be occupied by three or more families living independently of each other, as defined in the Multiple Dwelling Law or Multiple Residence Law.

(18) A residential customer is any person who, in accordance with an application for service made by such person or a third party on his or her behalf, is supplied with water service by a utility at a premises where such service is used primarily for his or her residential purposes. The word customer, when used alone in this Part, refers only to a residential customer.

(19) A seasonal, short-term or temporary customer is a customer who applies for and/or receives utility service periodically each year, intermittently during the year, or for a period of time up to one year.

(20) Tampered equipment is any service-related equipment that has been subjected to unauthorized interference that has changed or inhibited the accurate measurement of water consumption or that has been connected without authorization after a utility has physically disconnected service.

(21) A two-family dwelling is a building designed to be occupied exclusively by two families living independently of each other, where water service is not billed separately for each unit.

(22) A utility is any waterworks corporation, as defined in section 2 of the Public Service Law, having annual gross revenues in excess of $250,000.

(23) Utility deficiency is:

(i) any action or inaction by the utility or one of its authorized agents that does not substantially conform to the rules and regulations of this Title, the utility's tariff; or

(ii) the failure of metering equipment to accurately record service, unless a customer's culpable conduct caused or contributed to such failure.

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14.3 Applications for residential service.

(a) Extension of service. (1) A utility must provide service to any applicant as soon as reasonably possible, but no later than five business days after receipt of an accepted oral or written application for service or such later time as may be specified by the applicant, except:

(i) where prevented by labor strikes or other work stoppages;
(ii) where precluded by consideration of public safety;
(iii) where precluded by physical impediments including:
(a) poor weather conditions;
(b) inability to gain access to premises;
(c) incomplete construction of necessary facilities by the applicant or inspection and certification of such facilities by the appropriate authorities; or
(d) incomplete construction of necessary facilities by the utility.
(2) A utility must make reasonable efforts to eliminate or correct conditions over which it has control that prevent extension of service and must attempt to complete construction of any necessary facilities with due diligence.
(3) As a prerequisite to accepting a party as a customer and providing service, a utility may require the party to:
   (i) make full payment or enter into a payment agreement under section 14.10 of this Part for all amounts due and payable which are not either the subject of a pending billing dispute under section 14.19 of this Part, or covered by an existing payment agreement, including:
      (a) residential service provided and billed in accordance with section 14.15 of this Part to prior accounts in the applicant's name or for which the applicant is legally responsible;
      (b) other billed tariff fees, charges or penalties; and
      (c) a deposit, if requested by the utility, as long as such deposit is in accordance with section 14.11 of this Part;
   (ii) fulfill any applicable requirements of Parts 501 and 502 of this Title, regarding main extensions and service pipes; and
   (iii) comply with the utility's tariff, and any applicable State, city or local laws, ordinances or regulations.
(4) A utility must provide service to any accepted applicant whose application for service was previously denied, unless prevented by those circumstances listed in paragraph (1) of this subdivision:
   (i) as soon as reasonably possible, but no later than two business days after the requirements of paragraph (3) of this subdivision are met, or such later time as may be specified by the applicant; or
   (ii) within 24 hours, if required by the commission or its designee.
(5) A customer moving within the service territory of a utility and requesting service within 60 calendar days of the closing of the customer's prior account is eligible to receive service at the new location, in accordance with this section, and such service must be considered a continuation of service in all respects, with any existing payment agreement honored; provided, however, that such customer's prior service had not been terminated for nonpayment at the time of such request.
(b) Service application. (1) An application for service may be made either orally or in writing.
   (2) A utility may require an applicant to complete a written application for service only if:
      (i) service to the preceding customer at the premises to be served was terminated for nonpayment within the prior 12 months or the current account is subject to a final notice of termination;
      (ii) there is evidence that service has been supplied through tampered equipment;
      (iii) the meter has recorded usage during a period within the previous 12 months when there was no customer; or
(iv) the application is made by a third party for the party who would receive service.

(3) If a written application is not required as a prerequisite to providing service, an oral application for service will be considered complete when the applicant provides his or her name, address and, if the applicant has a prior account, either the address or account number, and answers questions relevant to identifying the applicant's use of water on the premises, including whether the service will be used primarily for residential purposes.

(4) A written application for service will be considered complete when information has been provided as required under paragraph (3) of this subdivision, along with proof of the applicant's identity and responsibility for the water bills for the premises, through submission of appropriate documents. Where a third party applies for service, the third party must submit proof of his or her identity and a written authorization from the applicant. All submitted documents become part of the application.

(5) A utility must make reasonable efforts to contact, either by telephone or in person, any applicant who submits an incomplete application, within one business day of receipt of the application, stating the information and/or documents that must be submitted in order for the application to be considered complete.

(c) Denial of application. (1) A utility must make reasonable efforts to immediately contact, either by telephone or in person, any applicant whose application is being denied.

(2) A utility may not deny an application for service unless a written notice was either delivered personally to the applicant or sent to the applicant's current address or any alternative mailing address provided in the application, within three business days of receipt of the application for service. An application for service not denied within three business days of receipt is considered accepted.

(3) The denial notice must:
   (i) state the reason(s) for the denial;
   (ii) specify what the applicant must do to qualify for service; and
   (iii) advise the applicant of the right to an investigation of the denial by the commission or its designee if the applicant considers the denial to be without justification, and state the address and telephone number of the commission.

(4) Every utility must maintain, for at least 12 months, service applications that are denied, and the corresponding denial notice.

(d) Penalty. If a utility fails to provide service to an applicant within the time required by this section, the utility must pay to the applicant $25 per day for each day or portion of a day that service is not supplied, unless the commission or its designee determines that the utility had good cause for not providing service within the required time.

14.4 Termination of residential service.

(a) Conditions for termination. (1) Except as provided in section 14.17 of this Part and paragraph (2) of this subdivision, a utility may terminate service to a customer only if it provides advance final notice of the termination and fulfills all other requirements of this section when the customer:

   (i) fails to pay any tariff charges that reflect service used during
the preceding 12 months, for which a written bill in conformance with section 14.15 of this Part has been sent;

(ii) fails to pay any tariff charges that reflect service used before the preceding 12 months, for which a written bill in conformance with section 14.15 of this Part has been sent, in any of the following situations:

(a) when there was a billing dispute during the preceding 12-month period;
(b) when there was excusable utility delay;
(c) when the customer's culpable conduct caused or contributed to the delay in billing; or
(d) when the changes are necessary to adjust estimated bills;
(iii) fails to pay amounts due under a payment agreement;
(iv) fails to pay, or agree in writing to pay, equipment and installation charges relating to the initiation of service; or
(v) fails to pay a required deposit, if in accordance with section 14.11 of this Part.

(2) A utility must not terminate service for nonpayment of bills to any person it knows to be receiving public assistance, if payment for such service is to be made directly to the utility by the department of social services or the local social services official.

(b) Final termination notice. (1) A final termination notice must state:

(i) the earliest date termination may occur;
(ii) the reasons for termination, including the total amount the customer must pay, and how termination may be avoided;
(iii) that utility procedures are available for considering complaints before termination, including the address and telephone number of the appropriate utility office;
(iv) that commission procedures are available for considering customer complaints when a customer is not satisfied with the utility's handling of the complaint, including the address and telephone number of the appropriate commission office;
(v) a summary of the protections available under this Part, and a notice that any customer eligible for such protections should contact the utility;
(vi) that it is a final termination notice which should be brought directly to the attention of the utility when the bill is paid;
(vii) that payment of the charges with a check that is subsequently dishonored may result in termination of service without an additional final termination notice, if applicable;
(viii) that at the time the utility's representative goes to the premises to terminate service, the representative may require any payment to be made with cash, certified check or money order, if the customer has, within the last 12 months, paid with a check that was dishonored;
(ix) any charge for reconnection; and
(x) that if the customer is a recipient of public assistance, it is possible that assistance may be available from a local social services office.

(2) A final termination notice must not be issued until at least 20 calendar days after the date payment was due.

(3) A final termination notice must not be issued for nonpayment of disputed charges while a complaint is pending before the utility or the
commission as provided in section 12.3 of this Title. Nothing in this Part prevents the utility from issuing such notice for nonpayment of undisputed charges.

(c) Physical termination of service. (1) A utility may not terminate service under this section until at least:

(i) 15 calendar days after a final termination notice has been given personally to the customer; or

(ii) 18 calendar days after a final termination notice has been mailed to the customer at the location where service is rendered, or to an alternative address, in which case paragraph (2) of this subdivision must be complied with.

(2) If an alternative address for mailing purposes has been previously provided to a utility, the utility must not terminate service under this section until at least 18 calendar days after a final termination notice has been mailed to the customer at the alternative address. If the utility still intends to terminate service as scheduled, the utility must mail notice of the scheduled termination to the premises where service is rendered 10 calendar days after the final termination notice was mailed to the alternative address.

(3) A utility may terminate service only between the hours of 8:00 a.m. and 4:00 p.m., on Mondays through Thursdays, provided that such day or the following day is not:

(i) a public holiday as defined in the General Construction Law;

(ii) a day the main business office of the utility is closed; or

(iii) a day the offices of the commission are closed.

(4) A utility may not terminate service unless:

(i) it has verified that payment has not been received at any office of the utility or at any office of an authorized collection agent through the end of the notice period required by this Part; and

(ii) it has verified on the day termination is scheduled that payment has not been posted to the customer's account as of the opening of business on that day, or has complied with procedures established under paragraph (d) (2) of this section.

(5) A utility may not terminate service more than 60 calendar days after issuance of the final termination notice unless it has, during that time, issued a new termination notice that complies with paragraph (b) (1) of this section or has updated the original notice to include the current arrears.

(6) A utility may not terminate service while a complaint is pending before the utility or the commission and for 15 calendar days after resolution by the utility or by the commission or its designee, for nonpayment of the disputed charges as provided in section 12.3 of this Title. Nothing in this Part prevents the utility from terminating service for nonpayment of undisputed charges.

(7) A utility may not terminate service during a two-week period encompassing Christmas and New Year's Day.

(d) Rapid posting of payments. Every utility must establish and implement written procedures to ensure that any payments made in response to a final termination notice, when the customer brings the fact that such a notice has been issued to the attention of the utility or its authorized agents:

(1) are posted to the customer's account on the day payment is received; or

(2) are processed in some manner so that termination will not occur.
(e) Payment at the time of termination of service. (1) If a customer claims, at the time that termination for nonpayment is to take place, that payment has already been made and produces a written business record of payment, or claims that there is a complaint pending before the utility or the commission with regard to the charges demanded, the utility's field representative must make a reasonable effort to verify this information with a utility office representative and must not terminate service for nonpayment of any verified disputed amount.

(2) At the time of termination, if payment of the full amount that forms the basis for a scheduled termination is offered, or if a customer agrees to sign a payment agreement in accordance with section 14.10 of this Part and offers payment of any required downpayment, the utility representative must not terminate service. The utility representative may either accept payment or allow the customer an extension of time of not less than one business day to go to a business office to make payment or arrange for payment. However, if the customer fails to make payment or arrange for payment within the specified time, the utility may terminate service without further notice.

(3) If a customer has, within the last 12 months, paid for service with a check that was dishonored, the utility has the right to accept only cash, certified check, or money order as payment from that customer under paragraph (2) of this subdivision.

(4) Whenever payment is made at the time of termination, the utility's field representative must provide the customer with a receipt showing the date, the account number, the amount received, the form of the payment and either the name or identification number of the utility representative.

(f) Dishonored checks. Receipt of a subsequently dishonored check, in response to a termination notice, is not payment of a customer's account and the utility is not required to issue additional notice before termination, as long as the final termination notice warns the customer of this, in accordance with subparagraph (b) (1) (vii) of this section.

(g) Applicability. Nothing in this section affects a utility's right to suspend, curtail or disconnect service:

1. when there is no customer and service is being provided through tampered equipment;

2. when there is no customer and the utility has provided advance written notice to the occupant, either by posting or mailing not more than 30 nor less than 10 calendar days before disconnection, stating:

   i. that it intends to disconnect service unless the responsible party applies for service and is accepted as a customer; and

   ii. the location of the nearest utility business office where application can be made; or

3. as permitted under section 14.17 of this Part.
diligent effort to contact personally an individual, the utility must, at a minimum:

(i) attempt to call such person once during normal business hours and if unsuccessful, twice during reasonable nonbusiness hours (6:00 p.m. - 9:00 p.m. on weekdays or 9:00 a.m. - 5:00 p.m. on Saturdays and Sundays), if there is a telephone; and

(ii) make an onsite personal visit, if there is no telephone or if telephone contacts are unsuccessful.

(4) During any continuation of service under this section, the customer remains responsible for payment of service and must make reasonable efforts to pay charges for such service.

(5) In all contacts with customers entitled to the protections under this section, where there remains a threat of termination or termination has already occurred, the utility must notify the customer that the commission's designees are available for assistance and provide the customer with the commission's telephone number.

(b) Medical emergencies. (1) Utility's obligations. A utility must not terminate or refuse to restore service to a residence when a medical emergency exists. A medical emergency exists when a resident of a customer's premise suffers from a serious illness or medical condition that severely affects his or her well-being, as certified by a medical doctor or local board of health in accordance with this subdivision.

(2) Written certification. Written certification must:

(i) be submitted on stationery of a medical doctor or local board of health, and be signed by the medical doctor or an official of the local board of health qualified to make a medical judgment;

(ii) state the name and address of the certifying medical doctor or local board of health, and the doctor's State registration number;

(iii) state the name and address of the ill person; and

(iv) include an affirmation that the absence of water service will aggravate an existing medical emergency at a customer's premises.

(3) Procedure for initial certification. (i) Initial certification of a medical emergency may be made either in writing or by telephone by a medical doctor or local board of health.

(ii) Initial certification is effective for 30 calendar days from the date the utility receives it, as long as written certification is provided to the utility within five business days of any certification made by telephone.

(iii) Certification made only by telephone is effective for five business days from the date the utility receives it.

(iv) Within five business days of receipt of written certification, the utility must provide the customer with a written notice that must:

(a) state that the utility received such certification and that the certification is effective for 30 calendar days;

(b) advise the customer in detail of the procedures required for renewal of certification under paragraph (4) of this subdivision; including specifically a statement that if the customer does not renew the certification before the 30-day period expires and arrangements for payment are not made, the utility may proceed with termination; and

(c) be accompanied by a form to be completed showing assets, income and expenses.

(4) Procedure for renewal of certification. (i) If the medical emergency is likely to continue beyond the expiration of any written certification, the certification may be renewed, provided that, before
the expiration of the initial certification:

(a) a medical doctor or official of the local board of health submits a new written certification that also states the expected duration of the medical emergency and explains the reason the absence of service would aggravate the medical emergency; and

(b) the customer demonstrates an inability to pay charges for service, as documented by a form showing assets, income and expenses.

(ii) The utility must, within five calendar days of submission of the necessary information, determine whether the customer's assets and current income are insufficient to pay charges for service, considering other necessary and reasonable expenses of the customer.

(iii) If the utility determines that a customer has not demonstrated an inability to pay charges for service, it must provide the customer with written notice of the determination made under subparagraph (ii) of this paragraph and the customer's right to a review of the determination by the commission's designee.

(iv) If the utility determines that a customer has demonstrated an inability to pay charges for service and a new written certification has been submitted, the utility must inform the customer that certification has been renewed, and how long it will be in effect.

(v) A renewed certification remains in effect for 30 calendar days, provided that in cases certified as chronic by a medical doctor or official of the local board of health, the renewed certification remains in effect for 60 calendar days. In such cases, a customer may request that the commission's designee approve a longer period for the written certification to remain in effect, and the commission's designee may approve such longer period, stating specific conditions to be met by the customer.

(5) Termination of service. A utility may only terminate service to a customer who has submitted a certification of medical emergency after:

(i) written notice has been provided to the customer of the utility's determination either that the certification of medical emergency is no longer in effect or that the customer is able to pay charges for service;

(ii) any review of the utility's determination by the commission's designee has been completed; and

(iii) the requirements of section 14.4 of this Part have been complied with.

(c) Customers who are elderly, blind or disabled. (1) Utility's obligations. A utility must not terminate or refuse to restore service to a customer where the customer and any other remaining residents of the household are known to or identified to the utility to be blind, disabled, 62 years of age or older, or 18 years of age or under, without complying with the procedures in this subdivision.

(2) Procedure before termination of service. (i) A utility must make a diligent effort to contact personally an adult resident at the customer's premises at least 72 hours before termination of service to attempt to create a plan that would avoid termination and arrange for payment.

(ii) Where efforts at personal contact are unsuccessful or where a utility and a customer are unable to create a plan, the utility must notify the local department of social services of the name and address of the customer and the date of termination so that social services may ascertain if the customer is eligible for any assistance. The utility
must continue service for at least 15 business days after providing this notice, unless notified by the local department of social services that other arrangements have been made.

(3) Procedures after termination of service. (i) In cases where service has been terminated and the utility is later notified that the customer should have received the protections under this subdivision, the utility must:

(a) make a diligent effort to contact personally an adult resident at the customer's premises, within 24 hours of such notification, to attempt to create a plan that would restore service and arrange for payment of bills; and

(b) where efforts at personal contact are unsuccessful or where the utility and the customer are unable to create a plan, notify the local department of social services of the name and address of the customer and the date of termination so that social services may ascertain if the customer is eligible for any assistance.

(ii) In cases where a utility has terminated service consistent with the provisions of paragraph (2) of this subdivision, the utility must make a diligent effort to contact personally an adult resident at the customer's premises within 10 calendar days after termination, to determine whether alternative arrangements have been made for the provision of service and, if none have been made, attempt to create a plan that would restore service and arrange for payment.

(d) Special procedures during cold weather periods for premises with heat-related service. (1) Utility's obligations.

(i) During cold weather periods, before terminating premises with heat-related service, a utility must make attempts to determine whether a resident may suffer serious impairment to health or safety as a result of termination, in accordance with the procedures set forth in paragraph (2) of this subdivision. Doubts as to whether a person may suffer serious impairment to health or safety as a result of termination must be resolved in favor of making such a finding.

(ii) For the purposes of this subdivision, a person may suffer serious impairment to health or safety as a result of termination when there is evidence of any of the following:
(a) dependency due to age, poor physical condition or mental incapacitation;
(b) use of life support systems, such as dialysis machines or iron lungs;
(c) serious illness; or
(d) disability or blindness.

(2) Procedures. (i) A utility must not terminate service to customers known to be receiving heat-related service during cold weather periods, unless the utility has made a diligent effort to contact personally the customer or an adult resident at the customer's premises, at least 72 hours before the intended termination and, if unsuccessful, at the time of termination, in order to find out whether a resident may suffer a serious impairment to health or safety as a result of termination, to fully explain the reasons for termination and to provide the customer with information on the protections available under this Part.

(ii) Where the utility determines that a resident may suffer a serious impairment to health or safety as a result of termination, a utility must not terminate service unless:
(a) the utility notifies the local social services official orally and
within five calendar days in writing, that a resident may suffer a serious impairment to health or safety as a result of termination; and

(b) the local social services official, after an investigation, informs the utility that the reported condition is not likely to result in a serious impairment to health or safety, or that an alternative means for protecting the person's health or safety has been arranged.

(iii) A utility notifying the local social services official under subparagraph (ii) of this paragraph must inform the customer of the referral and explain its purpose.

(3) Termination of service. (i) If a utility terminates service to a customer under this subdivision, and the customer or a resident 18 years or older was not personally contacted by the utility before termination of service and the customer has not contacted the utility for the purpose of requesting reconnection before 12 noon on the day following termination of service, the utility must, by onsite personal visit with the customer or other adult resident, immediately attempt to determine whether there is continuing occupancy and whether a serious impairment to health or safety may result. If the utility determines that a serious impairment may result, it must immediately restore service. If the utility is unable to make an onsite personal visit with the customer or an adult resident, and does not have reasonable grounds to believe that the customer has vacated the premises, the utility must immediately refer the name and address of the customer to the local social services official.

(ii) If after the discovery of tampered equipment, a utility decides to terminate service to a customer because of a potential health or safety problem, it must determine, in accordance with this subdivision, whether a resident may suffer a serious impairment to health or safety as a result of termination. If the utility determines that a resident may suffer a serious impairment, it must follow the procedures set forth in this subdivision; provided, however, that continued service is not required if it is impractical for the utility to eliminate an unsafe condition. In any cases where a resident may suffer a serious impairment and the utility terminates service to preclude the continuation of an unsafe condition, the utility must specially notify the local social services official on the same day service is terminated and request an immediate consideration of the case.

SO DOC 16A-14.6
14.6 Voluntary third-party notice prior to termination of service.

(a) Every utility must permit a customer to designate a third party to receive copies of all notices regarding termination of service or other credit actions sent to such customer, provided that the designated third party agrees in writing to receive such notices.

(b) The utility must inform the third party that the agreement to receive notices does not mean the third party must pay for service provided to the customer.

(c) The utility must promptly notify the customer in writing of the third party's refusal or cancellation of the agreement to receive notices.

SO DOC 16A-14.7
14.7 Termination of service to entire multiple dwellings.

(a) Required notices. (1) A utility must not terminate service to an entire multiple dwelling unless it fulfills all requirements of this section and provides written notice to:
(i) the owner of the multiple dwelling or the party to whom the last preceding bill was rendered;

(ii) the superintendent or other person in charge of the multiple dwelling, if it can be readily determined that there is such superintendent or other person in charge;

(iii) the occupants of each unit;

(iv) the local health officer and the director of the social services district for the political subdivision in which the multiple dwelling is located;

(v) if the multiple dwelling is located in a city or village, the mayor thereof, or if there is none, the manager; or if the multiple dwelling is located in a town, the town supervisor; and

(vi) the county executive of the county in which the multiple dwelling is located, or if there is none, the chairperson of the county's legislative body.

(2) The notice required by this subdivision must state:

(i) the earliest date terminating may occur;

(ii) the reasons for termination, including the total amount required to be paid, and how termination may be avoided;

(iii) that there are special protections for occupants of multiple dwellings;

(iv) that occupants are authorized to set off utility payments against their rents in these circumstances, in accordance with subdivision (1) of section 235-a of the New York State Real Property Law;

(v) that utility procedures are available for arranging meetings with occupants to discuss the manner in which termination may be avoided, including the address and telephone number of the appropriate utility office; and

(vi) that commission procedures are available for assistance, including the address and telephone number of the appropriate commission office.

(3) The notice required by this subdivision must be provided in the following manner:

(i) by personally serving it or mailing it to the owner or superintendent, as required by subparagraphs (i) and (ii) of paragraph (1) of this subdivision;

(ii) by mailing it to the occupants and all local officials, as required by subparagraphs (iii), (iv), (v) and (vi) of paragraph (1) of this subdivision; and

(iii) by posting it in a conspicuous place in the public areas of the multiple dwelling.

(4) The utility must give 15 calendar days notice if personally served or posted, and 18 calendar days notice if mailed.

(5) The notice to local officials required by subparagraphs (iv) and (v) of paragraph (1) of this subdivision must be repeated not more than four nor less than two business days before termination.

(6) Whenever a notice of termination of service has been made in accordance with this subdivision and the utility no longer intends to terminate service, the utility must so notify the occupants of each unit in the same manner as it gave the original notice.

(b) Procedures to avoid termination of service. (1) A utility following the requirements of this section may require occupants in a multiple dwelling to pay no more than the current charges incurred by the party to whom the last preceding bill has been rendered, and must
not terminate service if such current charges are paid.

(2) If occupants in a multiple dwelling find they are unable to reach an agreement with the utility to avoid termination of service, they may contact the commission's designee. After such a request is received, a designee will attempt to work out an agreement and will, if necessary, attempt to arrange a meeting with occupant representatives, the utility, and the party responsible for making payment for service.

(3) The commission's designee may stay a threatened termination of service to an entire multiple dwelling where it concludes that good faith efforts are being made by the occupants to arrange for the payment of current charges.

(c) Physical termination of service. Paragraphs (c) (3) through (6) and subdivisions (d) through (f) of section 14.4 are applicable to the termination of service to entire multiple dwellings.

(d) Termination of heat-related service to multiple dwellings during cold weather periods. During the cold weather period, the following procedure must be followed by a utility intending to terminate heat-related service to an entire multiple dwelling:

(1) A utility must provide the notices required by subdivision (a) of this section not less than 30 calendar days before the intended termination.

(2) A utility must provide each occupant with a written notice, not less than 10 calendar days before the earliest date termination may occur, advising the occupant that if any occupant in his or her apartment has a serious illness or medical condition that may result in a serious impairment to health or safety by the loss of heat service, he or she should immediately contact the utility. The notice must provide the name and telephone number of a utility contact person. Whenever an occupant so notifies a utility, the utility must conduct an onsite personal visit without delay, for the purpose of determining whether the occupant may suffer a serious impairment to health or safety as a result of termination. If the utility determines that an occupant may suffer a serious impairment to health or safety as a result of termination, the utility must refer such cases to the local department of social services and request the agency to investigate.

(3) A utility referring such a case to the Department of Social Services must continue heat-related service to the multiple dwelling or otherwise provide heat to the person who may suffer a serious impairment for at least 15 business days after the referral. A utility that has referred such a case must not thereafter terminate heat-related service to the dwelling during the cold weather period unless it otherwise provides heat to the person who may suffer a serious impairment, or unless it is informed by the local department of social services that appropriate alternative arrangements to preclude a serious impairment to health or safety have been made or that the claim of serious impairment is without merit. A utility thereafter intending to terminate service must provide at least five calendar days written notice to the occupants that heat-related service will be terminated, and must, if so notified by the Department of Social Services, inform the individual of the finding of no serious impairment. Such notice must state that any occupant may seek further review by the commission.

(4) If a utility is notified by the local department of social services that an occupant in a multiple dwelling where the heat-related service has been terminated by the utility may suffer a serious
impairment to health or safety, it must reconnect heat-related service, or otherwise provide heat to such person, and continue such service as provided for in paragraph (3) of this subdivision.

14.8 Termination of service to two-family dwellings.

(a) Applicability. If a utility knows that service is provided to a two-family dwelling, as defined in paragraph (b) (21) of section 14.2 of this Part, service must not be terminated unless the requirements of this section are complied with; provided, however, that where the utility knows that service is billed separately for each unit, this section does not apply. Each utility must keep a record of two-family dwellings.

(b) Required notices. (1) A utility must not terminate service to a two-family dwelling unless it fulfills all requirements of this section and provides written notice to:

(i) the owner of the premises or the party to whom the last preceding bill was rendered; and

(ii) the occupants of each unit.

(2) The notice required by this subdivision must state:

(i) the earliest date termination may occur;

(ii) the reasons for termination, including the total amount required to be paid, and how termination may be avoided;

(iii) that there are special protections for occupants of two-family dwellings where service is not billed separately;

(iv) that occupants may be authorized to set off utility payments against their rents in these circumstances, in accordance with the New York State Real Property Law;

(v) that utility procedures are available for considering complaints before termination, including the address and telephone number of the appropriate utility office; and

(vi) that commission procedures are available for assistance, including the address and telephone number of the appropriate commission office.

(3) The notice required by this subdivision must be provided in the following manner:

(i) by mailing it to the owner or party to whom the last preceding bill was issued;

(ii) by personally serving it or mailing it to the occupants; and

(iii) by posting it in a conspicuous place at or within the premises, unless prevented by physical circumstances.

(4) The utility must give 15 calendar days notice if personally served or posted, and 18 calendar days notice if mailed.

(5) Whenever a notice of termination of service has been made in accordance with this subdivision and the utility no longer intends to terminate service, the utility must so notify the occupants in the same manner as it gave the original notice.

(c) Procedures to avoid termination of service. (1) A utility following the requirements of this section may require the occupants in a two-family dwelling to pay no more than the current charges incurred by the party to whom the last preceding bill was rendered, and must not terminate service if such current charges are paid.

(2) An occupant may either:

(i) apply for service and be accepted as a customer, if eligible to do so under section 14.3 of this Part, in which case such person will be
liable for future payments; or

(ii) choose to pay current charges only, in which case such person
will not be liable for future payments and future bills must continue to
be rendered to the customer with a copy sent to any occupant upon
request.

(d) Physical termination of service. Paragraphs (c) (3) through (c)
(6) and subdivisions (d) through (f) of section 14.4 of this Part are
applicable to the termination of service to two-family dwellings.

(e) Termination of two-family dwellings during cold weather periods.
During the cold weather period, the following procedure must be followed
by a utility intending to terminate heat-related service to a two-family
dwelling:

(1) A utility must provide the written notices required by subdivision
(a) of this section not less than 30 calendar days before the intended
termination.

(2) A utility must comply with either the requirements set forth in
subdivision (d) of section 14.5 of this Part or in subdivision (d) of
section 14.7 of this Part.

14.9 Reconnection of service.

(a) Obligation to reconnect. A utility must reconnect service that has
been terminated within 24 hours of the customer's request for
reconnection, unless prevented by circumstances beyond the utility's
control or unless a customer requests otherwise, under any of the
following conditions:

(1) upon receipt of the full amount of arrears for which service was
terminated;

(2) upon receipt of a signed payment agreement consistent with section
14.10 of this Part, covering the full amount of arrears for which
service was terminated, and the receipt of a downpayment, if required
under that agreement;

(3) upon the direction by the commission or its designee; or

(4) where a utility has received notice that a serious impairment to
health or safety is likely to result if service is not reconnected.
Doubts as to whether reconnection is required for health or safety
reasons must be resolved in favor of reconnection.

(b) Inability to reconnect. Wherever circumstances beyond the
utility's control prevent reconnection of service within 24 hours of any
of the events specified in subdivision (a) of this section, the utility
must immediately attempt to notify the customer and reconnect service
within 24 hours of the elimination of those circumstances.

(c) Penalty. (1) If a utility does not reconnect service within 24
hours as required by this section, the utility must pay the customer for
each day or portion of a day that service is not supplied after the date
that service should have been supplied, as follows:

(i) $50 per day or portion of a day in cases involving medical
emergencies, the elderly, blind or disabled, heat-related service during
the cold weather period, or where the utility has notice that a serious
impairment to health or safety is likely to result if service is not
reconnected; or

(ii) $25 per day or portion of a day in all other cases.

(2) The penalty referred to in paragraph (1) of this subdivision will
not be applicable if the commission or its designee determines that the
utility had good cause for not reconnecting service within 24 hours. In
such cases, the utility has the burden of showing good cause.

**14.10 Deferred payment agreements.**

(a) Utility's obligations. (1) A utility must provide a written offer of a payment agreement, in accordance with this section, to an eligible customer or applicant at the following times:

   (i) not less than five calendar days before the date of the scheduled termination of service for nonpayment of arrears, as indicated on a final termination notice, or eight calendar days if mailed;

   (ii) when payment of outstanding charges is a requirement for acceptance of an application for service, in accordance with section 14.3 of this Part; and

   (iii) when it renders a backbill which is more than $100; provided, however, that a utility is not required to offer an agreement under this subparagraph where the customer's culpable conduct caused or contributed to the underbilling.

   (2) If payment of outstanding charges is a requirement for reconnection, in accordance with section 14.9 of this Part, the utility must offer the customer a payment agreement in accordance with this section. The utility must also inform the customer that he or she may opt to have the agreement include any applicable reconnection charge and/or legal fee, specifying the amount of such charge.

   (3) A utility must negotiate in good faith with a customer or applicant in order to arrange a payment agreement that the customer or applicant is able to pay, considering his or her financial circumstances.

   (i) A utility may require that a customer or applicant complete a form showing assets, income and expenses, and provide reasonable substantiation of the information on that form, provided that all such information shall be treated as confidential.

   (ii) A payment agreement must provide for installments as low as $10 per month and no downpayment, when the customer or applicant demonstrates financial need for such terms, but need not provide for monthly installments of less than $10.

   (iii) A payment agreement may provide for any size or no downpayment and installments on any schedule over any period of time, and cover any outstanding charges, if mutually agreed to by the parties.

   (4) A utility must renegotiate and amend a payment agreement if the customer or applicant demonstrates that his or her financial circumstances have changed significantly because of conditions beyond his or her control.

   (5) A utility must develop written procedures and forms for evaluating the financial need of a customer or applicant, for assuring the confidential handling of such information, for arriving at fair and equitable payment terms and for training utility personnel, which procedures must be filed with the Consumer Services Division.

   (6) The commission or its designee may order a utility to offer a payment agreement in accordance with this section where the parties have been unable to reach agreement or where an agreement is necessary for the fair and equitable resolution of a complaint.

(b) Eligibility. (1) A customer or applicant is eligible for a payment agreement and must be offered one in accordance with subdivision (a) of this section, unless:

   (i) the customer is a seasonal, short-term or temporary customer;
(ii) the customer has broken an existing payment agreement; or
(iii) the commission or its designee determines that the customer or applicant has the resources available to pay the bill.

(2) if the utility believes that a customer or applicant has the resources available to pay the bill in full or where the utility and customer are unable to agree on a payment agreement covering amounts that exceed the cost of twice the customer's average yearly usage, either party may seek a determination from the commission or its designee, in accordance with the following procedures:
(i) the utility must immediately notify the customer or applicant and the commission or its designee of its position;
(ii) the utility must give the customer or applicant written notice summarizing the procedures under this paragraph in clear and understandable language;
(iii) the commission or its designee will make a determination without undue delay; and
(iv) until such a determination is made by the commission or its designee, the utility must postpone any termination activity, and restore service or provide service if so directed by the commission or its designee, as long as the customer or applicant pays current bills and terms of a payment agreement established by the commission or its designee.

(c) Contents of offer. Every offer of a payment agreement must:
(1) inform the customer or applicant of the availability of a payment agreement for eligible customers;
(2) set forth generally the minimum terms to which such customer or applicant is entitled;
(3) explain that alternate terms may be possible;
(4) state the date by which the customer must contact the utility in order to avoid termination, if applicable;
(5) specify the utility's telephone number and the times to call in order to discuss an agreement; and
(6) state that if further assistance is needed, the customer or applicant should call the commission at a specified telephone number.

(d) Terms of agreement. (1) A payment agreement must require the customer or applicant to pay all current bills on time.
(2) Unless otherwise agreed to by the utility and the customer, a utility is required to offer a payment agreement that covers amounts up to the cost of twice the customer's average annual usage. The downpayment may include any amount owed in excess of twice the customer's average annual usage. If the customer and utility are unable to agree upon a payment agreement under these circumstances, either party may seek a determination from the commission or its designee in accordance with paragraph (b) (2) of this section.
(3) A payment agreement offered for nonpayment of arrears, upon application for service, or upon request for reconnection, under subparagraph (a) (1) (i) or (ii) of this section, may require the customer or applicant:
(i) to make a downpayment of up to 20 percent of the amount covered by the agreement, or the cost of one month's average usage, whichever is greater; and
(ii) to pay the balance in monthly installments up to the cost of one month's average usage or one-tenth of the balance, whichever is greater.
(4) A payment agreement offered for backbilling, under subparagraph
(a) (1) (iii) of this section, may require the customer to pay the outstanding charges in three or more monthly installments of up to the cost of one month's average usage or one twenty-fourth of such charges, whichever is greater.

(5) The cost of one month's average usage must be calculated by averaging the customer's cost of service over the prior year, if available.

(e) Form of agreement. The payment agreement must, in clear and understandable language and format, contain the following information:

(1) the total amount due, the required downpayment, if any, and the exact dollar amount and due date of each installment;

(2) the date by which the copy signed by the customer, and any applicable downpayment, must be received by the utility in order to become enforceable; provided, however, that such date may not be less than eight calendar days after it is sent;

(3) the utility's policy if the agreement is not signed and returned as required;

(4) that if the customer or applicant fails to comply with the terms of the payment agreement, the utility will take steps to terminate service; and

(5) that if the customer or applicant later can demonstrate his or her financial circumstances have changed significantly because of conditions beyond his or her control, the utility must amend the terms of the agreement to reflect such changes.

(f) Broken agreements. (1) If a customer fails to make timely payment in accordance with a payment agreement, the utility must send a reminder notice at least eight calendar days before the day when a final termination notice will be sent, stating that:

(i) the customer must meet the terms of the existing payment agreement by making the necessary payment within 20 calendar days of the date payment was due or a final termination notice may be issued; and

(ii) if the customer can demonstrate that he or she is unable to pay the terms of the payment agreement due to a significant change in his or her financial circumstances, because of conditions beyond his or her control, the customer should immediately contact the utility at a specified telephone number to arrange a new payment agreement.

(2) If by the 20th calendar day after payment was due, the utility has neither received payment nor negotiated a new payment agreement, the utility may demand full payment of the total outstanding charges and send a final termination notice in accordance with section 14.4 of this Part.

NYCRR 16A-14.11 Residential service deposits.

(a) Deposit requirements. (1) A utility may only require the payment of a security deposit from:

(i) a seasonal, short-term or temporary customer;

(ii) a delinquent customer, as long as at least 20 calendar days before its request for a deposit, the utility provides the customer with written notice that the failure to make a specified payment before a specified date may result in a request for a deposit and states how the deposit would be calculated; or

(iii) a customer whose service was terminated for nonpayment during the preceding six months.

(2) A utility may not require a deposit from:
(i) a customer or applicant who is known to the utility as a recipient of public assistance, supplemental security income benefits or additional State payments; or

(ii) a customer or applicant who is known to the utility as an elderly, blind or disabled person, unless that customer's service was terminated for nonpayment within the preceding six months.

(3) If a deposit is authorized by this section, the utility must offer a customer, except for a seasonal, short-term or temporary customer, the opportunity to pay the deposit in installments, considering the customer's financial circumstances in a manner consistent with section 14.10(a) (3) of this Part.

(b) Deposit calculation. (1) The amount of a deposit must not be more than the cost of twice the customer's average monthly usage, except in the case of customers whose usage varies widely, where the deposit must not be more than the cost of twice the average monthly usage for the peak season.

(2) The amount of the deposit must be based on service used during the previous 12-month period, as shown by any relevant billing history, and any relevant information concerning expected use.

(c) Deposit review. (1) A utility must, at least annually, review the billing history of every customer who has a deposit with the utility, to assure that a deposit may still be required under paragraph (a) (1) of this section and that the amount of the deposit is not more than the amount allowed in subdivision (b) of this section.

(i) If review shows that the deposit held falls short of the amount that the utility may lawfully require by 25 percent or more, the utility may require the payment of an additional deposit amount from the customer.

(ii) If a review shows that the deposit held exceeds the amount that the utility may lawfully require by 25 percent or more, the utility must return the excess deposit to the customer under subdivision (e) of this section.

(2) If a request of a customer for a downward revision of the deposit is substantiated by the customer's billing history, a utility must return any portion of the deposit that is more than the amount the utility may lawfully require, under subdivision (e) of this section.

(d) Interest. (1) Every deposit earns interest at a rate set annually by the commission based on the current economic conditions and current charges paid for money borrowed by such utility, taking into account the expenses incurred by such utility in obtaining, handling, returning or crediting the sum deposited.

(2) The interest must be paid to the customer when the deposit is returned, in accordance with paragraph (e) (1) of this section. If the deposit has been held for 12 consecutive months or more, the interest must be credited to the customer no later than the first bill rendered after the next succeeding first day of October and at the end of each succeeding 12-month period.

(e) Deposit return. (1) A utility must return a deposit or portion of a deposit plus the applicable interest in accordance with paragraph (2) of this subdivision, as soon as reasonably possible, but no more than 30 calendar days after:

(i) the date of the first bill for service rendered after a 12-month period during which time the customer was not delinquent, provided there is no other basis for the utility to request a deposit under paragraph
14.12 Meter reading and estimated bills.

(a) Meter reading. (1) A utility must attempt to obtain an actual reading for every metered account, on a regularly scheduled basis in accordance with its tariff.

(2) An attempt to obtain a reading from either the meter or from a remote registration device requires that a meter reader follow routine reading procedures and access instructions, if applicable.

(3) Unless a customer does not have access to the meter or the customer will be unable to obtain a reliable reading, the utility must, at the time of any unsuccessful attempt to obtain an actual reading, leave at the premises or mail the customer a meter reading card.

(b) Estimated bills. (1) A utility may render an estimated bill for a regular cycle billing period only when:

(i) the utility has been unable to obtain access to the meter;

(ii) circumstances beyond the control of the utility made obtaining an actual reading of the meter extremely difficult, despite having access to the meter area; provided, however, that estimated bills for this reason may be rendered no more than twice consecutively without the utility advising the customer in writing of the specific circumstances and the customer's obligation to have the circumstances corrected;

(iii) the utility has good cause for believing that an actual reading obtained is likely to be wrong; provided, however, that estimated bills for this reason may be rendered no more than once without the utility taking corrective action before the rendering of the next cycle bill;

(iv) circumstances beyond the control of the utility prevented the utility from obtaining an actual reading;

(v) an actual reading was lost or destroyed; provided, however, that an estimated bill for this reason may be rendered no more than once without the utility taking corrective action;

(vi) an estimated reading has been ordered or authorized by the commission for a particular billing cycle;

(vii) an estimated reading has been approved as the billing method consistent with the utility's tariff for the billing period; or

(viii) an unmetered condition was in existence during the period.

(2) Every estimated bill must be calculated in accordance with an established formula which takes into account the best available relevant factors for determining the customer's usage.

(c) No access procedure. (1) A utility must begin providing no access notices as described in this subdivision with the next cycle bill issued after bills were estimated for a period of six consecutive months because of conditions listed in subparagraph (b) (1) (i) or (ii) of this section.

(2) The no access notices and charges described in this subdivision must be directed only to the access controller. In any case where the
access controller is not the customer of the subject account, a copy of these no access notices must also be sent to the customer at the same time.

(3) The series of no access notices is as follows:

(i) the first notice must advise the access controller that the utility will arrange a special appointment to read the meter if the access controller calls a specified telephone number. Where the access controller is not the customer of the subject account, the notice must begin by stating that the utility records indicate that the recipient is the party who controls access to the meter of the customer, specifically identified as to address, part supplied, and account number, and that the utility has not been provided access to the customer's meter as required;

(ii) the second notice must advise the access controller that unless access to the customer's meter is provided on the next meter reading date or a special appointment to read the meter is made and kept by the access controller before that date, a no access charge will be added to the access controller's next bill and to every bill thereafter until access to the customer's meter is provided, but that no charge will be imposed if an appointment is arranged and kept. The notice must advise the access controller that the utility will arrange a special appointment for a reading of the customer's meter if the access controller calls a specified telephone number;

(iii) the third notice must advise the access controller of the no access charge that has been added to the access controller's bill and that unless access to the customer's meter is provided on the next meter reading date or a special appointment to read the meter is made and kept by the access controller before that date, another charge will be added to the access controller's next bill. The notice must advise the access controller that the utility will arrange a special appointment for a reading of the customer's meter if the access controller calls a specified number; and

(iv) the fourth and each successive notice must advise the access controller of the no access charge that has been added to the access controller's bill.

(4) A no access charge as provided for in the utility's tariff must not exceed $25.

(5) No more than $25 per building or premises must be added to any single bill of the access controller even though more than one meter is located there.

(6) A utility may, at its discretion, suspend temporarily the issuance of no access notices and/or penalties under this subdivision if the access controller contacts the utility and provides a legitimate reason for postponing the provision of access.

(7) Nothing in this subdivision prevents a utility from sending appropriate no access notices to the party who controls access but does not have an active account of its own with the utility.

SO DOC 16A-14.13

14.13 Backbilling.

(a) Notice. (1) Every backbill must contain a written explanation of the specific reason for the backbill, and if the bill covers more than a 24-month period, a statement as to why the billing was not limited under subdivision (c) of this section.

(2) Every backbill must contain all required information applicable
under section 14.15 of this Part.

(3) A backbill must be accompanied by an offer of a payment agreement in accordance with section 14.10 of this Part, if applicable.

(b) Limitations on issuance of backbills. (1) A utility may not issue a backbill more than six months after the utility actually became aware of the circumstance, error or condition that caused the underbilling.

(2) A utility may not upwardly revise a backbill, and must issue a downwardly revised backbill as soon as reasonably possible and within two months after the utility becomes aware that the first backbill was excessive.

(c) Limitations on backbilling period. (1) When the failure to bill earlier was due to utility deficiency, a utility must limit the backbilling period to 12 months before the utility actually became aware of and corrected the circumstance, error or condition that caused the underbilling, unless the utility can demonstrate that the customer's culpable conduct caused or contributed to the original underbilling.

(2) When the failure to bill earlier was not due to utility deficiency, a utility must limit the backbilling period to 24 months before the utility actually became aware of and corrected the circumstance, error or condition that caused the underbilling, unless the utility can demonstrate that the customer's culpable conduct caused or contributed to the original underbilling.

14.14 Late payment and other charges.

(a) Late payment charges. (1) A utility may charge for late payments, consistent with its tariff, on the balance of any bill for service, which has not been paid in full within 20 calendar days of the date payment was due.

(2) A utility may not impose a late payment charge on any bill that is the subject of a pending complaint before the utility or the commission; provided, however, that a late payment charge may be imposed if the final resolution of the complaint directs payment of the disputed amount or any portion of it to the utility.

(b) Other charges. Except as provided in this section, a utility may not charge any customer a late payment charge, penalty, fee, interest or other charge of any kind for any late payment or collection effort because the customer has failed to pay on time. Nothing in this section prevents a utility from imposing a reasonable charge for other lawful purposes, consistent with its tariff.

14.15 Contents of bills.

(a) Every utility bill must state:

(1) the name and address of the corporation, partnership or person responsible for supplying the service;

(2) where the bill can be paid;

(3) the service classification on which the charges are based, if applicable;

(4) the name of the customer, the account number and the address of the premises where the service was supplied;

(5) the start and end date of the billing period;

(6) the amount of service billed with a separate itemization for minimum charges and usage, a statement of the cost of any other tariff charges and applicable taxes, and the total of the current charges, displayed in a vertical format;
(7) the date payment is due, as long as the date is not before the bill is hand delivered to the customer or less than three calendar days after the bill is mailed;
(8) the date of the latest payment received or the date through which payments have been credited, and the balance carried over from the prior bill, if any;
(9) whether any charge will be imposed for late payment, if applicable, and the date payment must be received by the utility, in order to avoid a late payment charge;
(10) the amount of any late payment charge applied during the current billing cycle, if applicable;
(11) an explanation of any abbreviation or symbol used that is not common English usage;
(12) a telephone number to call at the utility if the customer has any questions about the bill; and
(13) for metered accounts:
   (i) whether the bill is based on a reading obtained from the meter itself or from a remote registration device, a customer reading, or an estimation, and if estimated, the reason for the estimation;
   (ii) the next scheduled meter reading date, if applicable; and
   (iii) if the bill is for previously unbilled unmetered service, that the bill is for an estimated amount of service used but previously not billed, the reason the bill was not rendered at the time the service was used, the basis used for calculating the amount of service billed, and the period of the unmetered service.
(b) Nothing in this section prevents a utility from providing pertinent messages and information on the bill, as long as such information does not interfere with the presentation of the information required by this section.

14.16 Notice requirements.
(a) Annual notice of rights. (1) A utility must, at the time of application for service and at least once each year after service is extended, provide applicants and customers with a brochure containing a detailed description of their rights and obligations under this Part, including the following:
   (i) conspicuous notice that customers who are elderly, blind or disabled, or whose service is heat-related must so inform the utility in order to receive special protections; and
   (ii) appropriate form(s) to be filled out by customers who may be eligible for special protections including but not limited to elderly, blind and disabled, public assistance recipients, and persons in two-family dwellings.

(2) The notice required at the time of application for service must be provided with the service application to an applicant from whom a written application is required and by mail, within 30 calendar days of the request for service, to an applicant from whom a written application is not required.

(b) Periodic notices. (1) If a customer has a deposit with a utility, an accounting for the deposit, showing the interest earned during the current year and the date the deposit was obtained, must be provided annually to the customer.

(2) If a utility issues bills monthly or bi-monthly, a notice offering a quarterly billing plan to customers known to be 62 years of age or
older, whose average annual billing is under $150, must be provided annually to such customers.

(3) A notice offering a fixed income billing plan must be provided annually to every customer known to be on a fixed income. Such billing plan must provide for payment of bills on a reasonable schedule considering the customer's regular receipt of income, without being charged late payment charges, as long as payment is made within 20 calendar days of the scheduled due date.

(4) A notice advising a customer of the applicable rate structure, in accordance with the utility's tariff, and offering the customer a detailed bill calculation upon request, must be provided annually to every customer.

(c) Hazardous conditions. If the utility is aware of a hazardous condition that may affect the health and safety of consumers of its water, the utility must immediately make all reasonable efforts to contact affected parties.

(d) Billing information in a language other than English. A utility providing service to a county where at least 20 percent of the population, according to the most recent Federal census, regularly speaks a language other than English must send messages on bills and notices in both English and the other language, at the request of a customer living in the county.

(e) Format. All notices, brochures, forms and bills required by this Part, and any other written informational material for customers, including results of a complaint investigation provided under paragraph (a)(3) of section 14.19 of this Part, must be in plain language, printed in a format that is easy to read and understand, and must:
   (1) include definitions of any pertinent technical terms;
   (2) contain a size of type that is readable; and
   (3) include clear section headings, if applicable.

(f) Filing. All notices, brochures, forms and bills required by this Part, along with the intended program for their use, must be filed with the Consumer Services Division by a utility before their circulation.

14.17 Emergency disconnection of residences.

(a) Emergency disconnection. A utility may disconnect service to a premises when an emergency may threaten the health or safety of a person, the surrounding area or the utility's distribution system.

(b) Notice. A utility must, if possible, provide advance notice to those whose service will be disconnected under this section.

(c) Restoration of service. A utility must act promptly to restore service as soon as feasible after disconnection. Service must be restored to any premises which has been disconnected under this section, before it may be terminated for nonpayment of charges.

14.18 Inspection and examination of utility apparatus.

(a) Right to inspect. (1) An agent of a utility may enter, at all reasonable times, any location supplied with service by the utility for inspection and examination of its equipment related to the provision of such service.

   (2) An agent of a utility may not enter locked premises without the permission of a person lawfully in control of the premises, unless explicitly authorized by court order or when an emergency may threaten the health or safety of a person, the surrounding area or the utility's
distribution system.

(b) Duty to inspect. A utility must conduct a field inspection as soon as reasonably possible, but no more than 60 calendar days after a reasonable customer request or a directive by the commission or its designee.

14.19 Complaint handling procedures.

(a) Complaints to the utility. (1) A utility must establish a written procedure for the handling of customers' complaints to the utility which allows for the acceptance and processing of complaints in a simple manner and form. Such procedure must require that complaints be promptly acknowledged, fairly investigated in a reasonable period of time, and that the results of such investigations be promptly reported to the complainants in plain language. Such procedure must also include notice to the customer of a specified telephone number for customers or applicants to call with any questions or problems.

(2) A utility must not take any steps to terminate a customer's service between the time a complaint is filed with the utility and 15 calendar days after the utility provides the customer with the results of the investigation, as long as the customer pays the undisputed portions of any bills for service, which may include bills for current usage.

(3) After the investigation is completed, a utility must promptly report the results to the customer in plain language. If the report is made orally, the utility must provide the customer with the report in writing upon request.

(4) When the utility gives its final response to a customer's complaint and the complaint resolution is wholly or partially in the utility's favor, the utility must inform the customer of the commission's complaint handling procedures, including the commission's address and telephone number.

(b) Complaints to the commission. (1) If a customer is dissatisfied with the resolution of the complaint to the utility, the customer may complain, either orally or in writing, to the commission, under Part 12 of this Title.

(2) A customer's complaint to the commission will be handled in accordance with Part 12 of this Title.

14.20 Utility compliance.

All utilities shall conform their practices to comply with rules set forth in this Part not later than January 22, 1991.
PART 17

MATTERS RELATIVE TO ALL APPLICATIONS
(Statutory authority: Public Service Law, § 66)

Sec.
17.1 Preparation and filing of petition
17.2 Attachment of certificate of incorporation
17.3 Further information required
17.4 Correction of deficiencies
17.5 Furnishing of original document

Section 17.1 Preparation and filing of petition.
All applications for approval, consent, permission or certificate of
authority shall be by petition duly verified. The petition and all
accompanying documents shall be filed in accordance with the
requirements of § 3.5 of this title.

17.2 Attachment of certificate of incorporation.
A certified copy of the certificate of incorporation of every
corporation directly interested in presenting the petition, together
with a certified copy of each amendment to such certificate shall
accompany the petition. If a document has once been filed with the
Commission, the petitioner may, in lieu of filing further copies, state
in the petition such fact with the date of filing and the proceeding in
which the same was filed.

17.3 Further information required.
The petition shall contain such further information as required by law
or by rules of the Commission and shall set forth in detail that
compliance has been had with such requirements.

17.4 Correction of deficiencies.
Deficiencies in a filed petition, when called to the attention of the
applicant, must be promptly corrected, or the application may be denied
for lack of proper submission.

17.5 Furnishing of original document.
The petitioner shall furnish and make available for the use of the
Commission the originals of all books, papers and documents which may be
required or if so directed certified or verified copies of the same.
Failure so to do may be grounds for rejecting the application.
Section 18.1 Information required.
Whenever a petitioner is required to state its financial condition, there shall be submitted the following information:
(a) Amount and classes of stock authorized by law or certificate of incorporation, as last amended.
(b) Where capital stock has been authorized by the commission, the case number and date of the order of such authorization.
(c) Separately for each class of stock: par value, if any; amount actually paid to the corporation for such stock; amount of premium realized thereon; number of shares and par value, if any, of stock for which subscriptions have been received but which at the date of the balance sheet had not been fully paid and issued together with the agreed purchase price and amount of payments on such subscriptions.
(d) Terms of preference of each class of preferred stock.
(e) Separate statement for each class of nonpar stock showing amount of each item transferred thereto from surplus or other accounts, the date of such transfer and the title of the account from which the transfer was made.
(f) Where bonds, notes or other evidences of indebtedness have been authorized by the commission, the case number and date of the order of such authorization.
(g) Brief description of each mortgage upon any property of the applicant giving date of execution, name of mortgagor, name of mortgagee or trustee, amount of indebtedness authorized to be secured thereby, amount of indebtedness actually incurred and brief description of mortgaged property.
(h) Separately for each bond issue: the number and amount of bonds authorized and issued; the amount outstanding, the outstanding bonds to be subdivided between actually outstanding and nominally outstanding (reacquired); the name of the company which issued the bonds; the description of each class of bonds separately, giving date of issue, face value, rate of interest, date of maturity and how secured. If convertible bonds are authorized or outstanding, the date when the conversion privilege accrues and expires, the securities into which and the rate at which conversion may be made.
(i) Separate statement for each affiliated interest as defined by the Public Service Law; the amount of advances therefrom, the name of the creditor, the interest provisions, terms of settlement and purpose for which the advances were made; other indebtedness to each affiliated interest, except indebtedness representing ownership by an affiliated interest of mortgages or bonds described in subdivisions (f) and (g) of this section, giving classes of debt and the security, if any.
(j) Other indebtedness, classes of debt and the security, if any.
(k) Amount of interest accrued during the previous fiscal year at each of the several rates required by the terms of the outstanding indebtedness and the amount of interest accrued at each rate.
(l) Rate and amount of dividends declared upon each class of stock during each of the five years last preceding an amount of dividends paid.
(m) Statement of contingent assets and contingent liabilities with a brief description of each major item, and separately for each class of
capital stock, the amount of unpaid cumulative dividends accrued.

(n) Analysis of unearned surplus showing the nature of each major item included therein, and insofar as items in that account originated in connection with capital stock transactions, the amount therein applicable to each class of stock.

(o) Statement of the program in effect for the amortization of deferred debits and deferred credits or other balance sheet accounts, and the bases upon which are determined the debits or credits whereby such deferred debits are being amortized and whereby such deferred credits or operating reserves are being written off or created.

(p) Detailed income statement and balance sheets for latest fiscal year; also latest available income statement and balance sheets for 12 months.

Note: A reference in the petition to annual or other reports filed or to be filed with the commission will not be deemed a compliance with the provisions of this section.

ARTICLE 2
Issuance of Certificates and Permits
Note: Forms for the issuance of a certificate of authority to act as a contract carrier of passengers may be obtained from the Department of Public Service.

PART
21 Gas, Electric, Steam, Waterworks, Telegraph and Telephone Corporations and Municipalities

Sec. 21.1 Summary of legal requirements
21.2 Rules applicable to all petitions
21.3 Evidence to be presented at hearing
21.4 Certification of radio-telephone utilities
21.5 Amendments to radio-telephone utility certificates
21.6 Service changes
21.7 Certification of resellers of telephone service
21.8 Alternate service provision for resale
21.9 Filing with other governmental agencies
21.10 Expedited proceedings on noncontested applications

Section 21.1 Summary of legal requirements.

(a) Before a public service corporation under the jurisdiction of this commission may begin construction of a gas, electric or steam plant in territory where it has not previously been authorized, an application must be made which must comply with the requirements of section 68 or 81 of the Public Service Law.

(b) If a municipality proposes to confine construction of gas or electric plants to territory within its own borders, no authority from the commission is necessary. (General Municipal Law, section 364.) If the municipality proposes to extend its gas or electric system beyond its municipal borders, a franchise must be secured from the municipality in which the construction is to be made and a certificate of authority
secured from the commission.

(c) A municipality may not construct or operate a steam plant even within its own borders until securing a certificate of authority from the commission.

(d) A waterworks corporation may not begin construction of a new plant until it has filed with the commission a certified copy of an order issued by the Water Power and Control Commission approving construction. If the proposed construction parallels or duplicates mains or conduits of an existing water supply company, construction may not be begun until a certificate of convenience and necessity is secured from this commission.

* So in original. "a" inadvertently omitted

(e) Consent from the commission is not necessary before a municipality may construct a water plant. (Public Service Law, section 89-1.)

(f) Telegraph and telephone corporations formed subsequent to September 1, 1910, except radio-telephone utilities defined in Part 645 of this Title, which were in operation or which had applied to the appropriate Federal agency for an allocation of frequency on or before October 1, 1973, may not begin construction of a telegraph or telephone line until permission and approval of the commission and its certificate of public convenience and necessity have been secured. If the company proposes to construct and lay lines of electrical conductors underground, a franchise must be secured from the municipality in which such construction is to take place.

(g) An individual or partnership may not begin the construction of a telegraph or telephone line until a certificate of public convenience and necessity is secured from the commission. In all cases where required, a franchise must be secured from the municipalities in which the construction is to take place before a certificate of public convenience and necessity will be granted.

(h) Within 30 days after the filing of a petition for a certificate of public convenience and necessity, either the director of the division of the Department of Public Service most concerned with the petition, the director's representative or counsel shall advise the petitioner of any deficiencies in such petition. The certification proceedings shall be deemed to commence on the date the petition complies with the applicable legal requirements and shall be conducted as expeditiously as possible.

21.2 Rules applicable to all petitions.

(a) The petition shall state the names of all corporations, including municipalities, rendering the kind of service for which the petitioner requests authority in the territory covered by the application.

(b) The petition shall be accompanied by a certified copy of the franchise granted by the municipality or municipalities in which the construction is proposed or authority is to be exercised, with a verified statement by a responsible official of the petitioner that all municipal consents have been secured that are required by law. Petitions by waterworks corporations shall be accompanied by a certified copy of the order of the Water Power and Control Commission authorizing construction.

(c) If the petitioner has previously secured authority from the commission to exercise the powers granted under a prior franchise that has expired, and has plant in operation, the petitioner shall request only authority to exercise the rights and privileges granted by the new
franchise.
(d) If the petitioner has been granted any permit, license or authority by any Federal authority relative to the pending petition, the petitioner shall include a certified copy of such original permit, license, or authority and all amendments thereto.
(e) This section shall not apply to telephone corporations that provide service primarily over their own or leased facilities and that do not provide local exchange service. This section shall not apply to non-incumbent telephone corporations that provide local exchange service primarily over their own or leased facilities.

21.3 Evidence to be presented at hearing.
At the hearing, the applicant shall be prepared to show by competent evidence:
(a) Description and population of the territory within which it proposes to exercise authority granted by the franchise or consent and to begin construction, including the names of all cities, towns and villages; also the dates when construction will begin and service will be provided.
(b) Description of the plant and system to be constructed and the estimated cost thereof.
(c) The manner in which the cost is to be financed. If the municipality is to be bonded, there shall be submitted a certified copy of the proposition submitted to the voters and the vote thereon.
(d) The rates to be charged for the classes of service rendered.
(e) Estimated revenues to be derived from operations covered by the petition and the estimated expenses of such operations, each to be complete and in detail for each of the first three years of service; also estimate made from an actual survey of the territory of the number of prospective customers at the end of the first, second and third years of service showing for each date the number of prospective customers in the residential, commercial and industrial classes of service.
(f) The facts upon which it relies to entitle it to exercise the rights and privileges petitioned for, including evidence of the economic feasibility of the enterprise, proof of the applicant's ability to finance the project and to render adequate service and that the proposal is in the public interest.
(g) Where similar services are being rendered in all or part of the area proposed to be served, the public need for the proposed service including, but not limited to:
(1) the adequacy of the existing service to meet the reasonable needs of the public in the territory involved;
(2) the ability and willingness of the present operator(s) to provide such reasonably adequate service; and
(3) the degree of competition desirable or required by the public interest.
(h) This section shall not apply to telephone corporations that provide service primarily over their own or leased facilities and that do not provide local exchange service. This section shall not apply to non-incumbent telephone corporations that provide local exchange service primarily over their own or leased facilities.

21.4 Certification of radio-telephone utilities.
(a) The commission shall grant a certificate of public convenience and
necessity for the operation of a radio-telephone utility to any applicant:

(1) who shows that its certification:
(i) would provide an entirely new service to the area to be served; or
(ii) would enhance competition in the area to be served; and
(2) who either:
(i) has obtained an allocation of frequency from the proper Federal authority; or
(ii) has applied for an allocation of frequency from the proper Federal authority.

(b) The hearing provided for in section 99 of the Public Service Law will, unless otherwise ordered, be conducted before the commission on the application, exhibits or other information submitted by the applicant. The applicant will be required to publish notice of the application for a certificate and relevant public comments on it will be accepted during the 21-day period thereafter.

(c) The application shall contain the following information:

(1) Description and population of the territory within which it proposes to exercise authority granted by the franchise or consent to begin construction, including the names of all cities, towns and villages; also the dates when construction will begin and service will be provided.

(2) General description of the plant and system to be constructed.

21.5 Amendments to radio-telephone utility certificates.

Whenever a radio-telephone utility proposes to make any change which would alter its service contours, as authorized by its certificate of public convenience and necessity, it shall petition the commission for an amendment of said certificate. Said petition shall describe in detail the proposed reliable service contour. The commission may act without hearing upon petitions which it determines will have no significant impact upon the extent of a radio-telephone utility's service territory.

21.6 Service changes.

Any new service offering, or change in an existing service offering, which does not affect a radio-telephone utility's service territory, as described in its certificate of public convenience and necessity shall be implemented by tariff filing. The certificate of public convenience and necessity need not be amended.

21.7 Certification of resellers of telephone service.

(a) The commission shall grant a certificate of public convenience and necessity for the resale of telephone services to any applicant who shows that its certification:

(1) would provide an entirely new service to the area to be served; or
(2) would enhance competition in the area to be served.

(b) The hearing provided for in section 99 of the Public Service Law will, unless otherwise ordered, be conducted before the commission on the application, exhibits or other information submitted by the applicant. The commission will cause a notice of the application for a certificate to be published in the State Register, and relevant public comments on it will be accepted during the 21-day period thereafter.

(c) The application shall contain the following information:
(1) name and address of the resale applicant;
(2) location of its principal business office;
(3) names and addresses of the owners of the resale applicant or a copy of its certificate of incorporation; and
(4) general description of the service to be offered and the territory within which resale service will be provided.

(d) When a resale applicant, reseller or other entity communicates with the telephone company to obtain facilities and service for resale, that applicant, reseller or entity shall identify itself as intending to resell service.

21.8 Alternate service provision for resale.

The availability of resale telephone service shall in no way interfere with the right of an owner or occupant of premises to obtain service from the duly certificated landline company serving the territory.

21.9 Filing with other governmental agencies.

Radio-telephone utilities and resellers of telephone service shall file contemporaneously with this commission a verified copy of applications or petitions being filed by it with other Federal, State or local governmental agencies whenever such applications or petitions affect radio-telephone operations in New York State.

21.10 Expedited proceedings on noncontested applications.

(a)(1) Upon the motion of any applicant, the commission may, where it appears to be in the public interest, order that the public hearings required by section 68 of the Public Service Law on an application by a gas corporation or electric corporation, or by section 99 of the Public Service Law on an application by a telephone utility, for the granting, modification or renewal of a certificate of public convenience and necessity, be held before the commission on the application and such exhibits, prepared testimony or other information as may be filed by the applicant or by any party or staff counsel, without oral testimony.

(2) A motion by an applicant for an expedited proceeding under paragraph (1) of this subdivision shall be made at any time before the commission acts on its application. The applicant shall serve a copy of the motion for an expedited proceeding and the public notice required by paragraph (3) of this subdivision on each person or municipality, if any, entitled to service of a copy of the application.

(3) Within 14 days after the date on which it files its motion, an applicant moving under paragraph (1) of this subdivision shall publish in a newspaper, or newspapers of general circulation, in all the areas in which the franchise sought to be granted or renewed would permit it to operate, a notice:

(i) briefly describing the subject matter of the application;
(ii) stating that the applicant has moved that the public hearing required by the Public Service Law be held before the commission on the basis of the application and such exhibits, prepared testimony and any other information as may have been filed by any party or staff counsel, and that oral testimony not be taken; and
(iii) stating that any person opposed to the granting or renewal of the franchise should, within 10 days of the date of the publication of the notice, notify in writing the secretary of the Public Service Commission at Agency Building 3, Empire State Plaza, Albany, N.Y. 12223,
of the reasons for the opposition.

(b) The commission may grant a motion made under subdivision (a) of this section if:

(1) the applicant has served a copy of its motion, and the public notice required, upon each party entitled to receive a copy of the application; and

(2) no person, municipality or agency has filed with the secretary, within 10 days of the date of publication of the newspaper notice required by paragraph (3) of subdivision (a) of this section, a written objection stating substantive reasons for opposition to the granting of such a motion.

(c) If, at the hearings provided by subdivision (a) of this section, the commission finds that there is a substantive basis for opposition to the granting of the certificate, it shall order that the matter be set for further hearings.

(d) The secretary is directed to file this resolution with the Secretary of State.

ARTICLE 3
Transfer of Certificates, Permits and/or Property
Part
31 Gas, Electric, Steam, Waterworks, Telegraph and Telephone Corporations

Sec.

31.1 Contents of petition.
31.2 Evidence to be presented at hearing
31.3 Radio-telephone utilities, resellers of telephone services

Section 31.1 Contents of petition.
Applications under sections 70, 83, 89-h, or 99 of the Public Service Law, for approval of transfer or lease of consents, franchises, works or systems, or agreements affecting them shall be by joint or separate petitions, duly verified by all parties to the transfer or lease and shall show in detail the reasons for what is proposed, all of the facts warranting the same and that the transfer or lease is in the public interest. The petition shall state:

(a) In case of transfer, the facts called for in subdivisions (f)-(i) and (p) of section 3.1 of this Chapter applicable to property to be transferred.

(b) General description of the property to be transferred or leased.

(c) List of the franchises, consents and rights to be transferred or leased, including the name of the grantor, date when granted, date of approval by this commission and number of case in which approval was granted and copy of said franchises, consents and rights duly certified by the proper official.

(d) A certified copy of the approval of the municipality to the transfer or lease if any of the local consents or franchises involved required that they shall not be transferred or leased without the
(e) A copy of the proposed assignment, contract, lease or agreement to be approved.

(f) Inventory of the property proposed to be transferred or leased with the original cost of such property, original cost being the cost to the person first devoting the property to public service, and person being 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.

(g) In said inventory, the property shall be classified according to the requirements of the system of accounts prescribed by this commission applicable to the transferor or lessor.

(h) An estimate of the accrued depreciation in the property together with a statement of the method or methods used in arriving at such estimate.

(i) The cost of said property as shown upon the balance sheet of the transferor or lessor.

(j) The depreciation and amortization reserves applicable to said property, estimated if not ascertainable from books and records.

(k) A statement of contributions toward construction of said property, such contributions to be subdivided so as to show those subject to refund and those which are not.

(l) Statement of operating revenues, expenses and taxes for each of the three calendar years preceding the date of the petition relating to the property to be transferred or leased and balance sheet of the transferor or lessor and of the transferee or lessee of the latest available date.

31.2 Evidence to be presented at hearing.

At the hearing, the applicant shall be prepared to show by competent evidence the facts upon which it relies to establish that the transaction is in the public interest, proof of the ability of the petitioner to render adequate service and that the statements in the petition are true.

Note: As the Public Service Law prohibits the capitalization of franchises, consents or rights to engage in utility business except as provided in the Public Service Law, the commission will not approve a transfer or lease where it appears that the transferee or the lessee is paying for a franchise, consent or right to engage in utility business in excess of legitimate original cost less proper amortization. Where the amount authorized to be paid exceeds the original cost less accrued depreciation of the physical property transferred or leased, together with the unamortized portion of the actual cost incurred in securing said franchise, consent or right, the commission may refuse to approve the application unless the applicant will amortize immediately said excess through charges to surplus.

31.3 Radio-telephone utilities, resellers of telephone services.

Applications pursuant to section 99 of the Public Service Law by radio-telephone utilities or resellers of telephone services need contain only the information required by subdivisions (b)-(e) of section 31.1 of this Part.
Securities
Part
37 Issuance of Stocks, Bonds, Notes or other Evidence of Indebtedness:
Gas, Electric, Steam, Waterworks, Telegraph and Telephone
Corporations
38 Reorganizations
39 Acquisition of Capital Stock or Bonds of Gas, Electric, Steam,
Waterworks, Telegraph and Telephone Corporations

PART 37
ISSUANCE OF STOCKS, BONDS, NOTES OR OTHER EVIDENCES OF
INDEBTEDNESS: GAS, ELECTRIC, STEAM, WATERWORKS,
TELEGRAPH AND TELEPHONE CORPORATIONS
(Statutory authority: Public Service Law,
§§ 69, 82, 89-f, 101)

Sec.
37.1 Contents of petition
37.2 Specific provisions for acquisition of property
37.3 Specific provisions for construction, completion or improvement of
facilities
37.4 Specific provisions for improvement or maintenance of service
37.5 Specific provisions for refunding of obligations or retirement of
securities
37.6 Specific provisions for reimbursement
37.7 Submission of proposed consideration
37.8 Radio-telephone utilities and resellers of telephone services

Section 37.1 Contents of petition. The petition duly verified shall
state or contain:
(a) Financial condition of the applicant (see Part 3 of this Chapter).
(b) The basis of the book cost of utility property of applicant and
particularly whether it represents original cost of such property as
original cost is defined in subdivision (f) of section 31.1 of this
Subchapter, if it does not represent original cost, the basis should be
fully stated.
(c) Statement of whether such book cost includes any amount for a
franchise, consent or right to operate as a public utility.
(d) The amount and kind of stock which the corporation desires to
issue, and, if preferred, the nature and extent of the preference.
(e) The amount of bonds, notes and other evidences of indebtedness
which the corporation desires to issue, date of maturity, the rate of
interest, how secured, and if to be secured by a mortgage or pledge, the
terms thereof.
(f) The purposes for which the funds to be derived from the issuance
of such securities are to be used, and particularly the amount for each
of the following:
(1) acquisition of property;
(2) construction, completion, extension or improvement of facilities;
(3) improvement or maintenance of its service;
(4) discharge or refunding of its obligations; and
(5) reimbursement of moneys actually expended from income or from any
other moneys in the treasury not obtained from the issuance of stocks,
bonds, notes or other evidences of indebtedness.
(g) The funds available from sources other than the proposed financing
to meet in part the purposes stated in subdivision (f) of this section, including contributions from customers or others, salvage proceeds, depreciation reserve accruals and any unused balances in prior financing applications.

(h) Copy of contract or agreement for the disposal of any of the stocks, bonds, notes or evidences of indebtedness which it is proposed to issue.

(i) Statement in detail of the estimated costs and expenses of the contemplated financing.

(j) Copy of proposed instrument if the bonds, notes or other evidences of indebtedness to be issued are to be secured by a mortgage, indenture, lease or other agreement not on file with the commission; and a certified copy shall be filed with the commissioner promptly upon execution.

(k) Statement of the financial condition of each of the corporations to be merged or consolidated, if securities are to be issued by a corporation to be formed by the merger or consolidation of two or more corporations.

(l) Proof of the consent of the stockholders under the Stock Corporation Law and the Railroad Law if the application contemplates a mortgage.

(m) Statement as to whether required approval by other public authorities has been obtained.

(n) Whether any franchise or any right to own, operate or enjoy any franchise, or any contract for consolidation or lease is proposed to be capitalized directly or indirectly, except as the same is authorized by sections 69, 82, 89-f or 101 of the Public Service Law. If the proposal contemplates or involves the capitalization of any franchise, there shall be filed with the petition a verified copy of such franchises and an affidavit of the proper officer of the public authority granting same showing the amount that has been actually paid for such franchises and by whom such payment was made.

(o) An affidavit by the principal accounting officer of the petitioner that the accounts of the petitioner have been kept strictly in accordance with the accounting order or orders of the commission applicable thereto, and that since the effective date of such orders there have been no charges to asset accounts not in accordance therewith and that all required credits to such asset accounts have been made for the amount and in the manner prescribed therefor in such accounting orders.

37.2 Specific provisions for acquisition of property. If securities are to be issued to acquire property (the petition duly verified shall state or contain):

(a) General description of the property to be acquired.

(b) Consideration to be paid for property and copy of purchase agreement.

(c) List of franchises, consents and rights to be acquired including the name of the grantor, date when granted, date of approval by this commission and number of case in which approval was granted and copy of said franchises, consents or rights duly certified by the proper official; consent to sale if any is required.

(d) Inventory of the property proposed to be acquired with the original cost of such property, original cost being as defined in
subdivision (f) of section 31.1 of this Subchapter.

(e) In said inventory, the property shall be classified according to the requirements of the system of accounts prescribed by this commission applicable to the seller.

(f) An estimate of the accrued depreciation in the property together with a statement of the method or methods used in arriving at such estimate.

(g) The book cost, viz., amount at which said property is shown upon the balance sheet of the seller.

(h) The depreciation and amortization reserves applicable to said property, estimated if not ascertainable from books and records.

(i) A statement of contributions toward construction of said property, such contributions to be subdivided so as to show those subject to refund and those which are not.

(j) Statement of operating revenues, expenses and taxes for each of the three calendar years preceding the date of the petition relating to the property to be sold and balance sheet of the seller for the latest available date.

(k) At the hearing, the applicant shall be prepared to show by competent evidence the facts upon which it relies to establish that the transaction is in the public interest, that the property to be acquired is necessary to provide adequate service at reasonable rates and that the statements in the petition are true.

.SO DOC 16A-37.3 NYCRR

37.3 Specific provisions for construction, completion or improvement of facilities.

If securities are to be issued for the construction, completion or improvement of facilities (the petition duly verified shall state or contain):

(a) General description of the work proposed and the estimated cost thereof.

(b) Copy of construction or work agreement.

(c) Description and book cost in detail of all property which will be retired in connection with the proposed construction, with an estimate of the cost of removal and the salvage to be recovered.

(d) An affidavit by the chief accounting officer of the petitioner that no part of the cost of the work proposed is in whole or in part reasonably chargeable to operating expenses or to income, except as therein set forth.

(e) At the hearing, the applicant shall be prepared to show by competent evidence that the construction or equipment is required to render adequate service at reasonable cost and that the statements in the petition are true.

.SO DOC 16A-37.4 NYCRR

37.4 Specific provisions for improvement or maintenance of service.

If securities are to be issued for the improvement or maintenance of its service (the petition duly verified shall state or contain):

(a) Statement in detail of the purposes of the proposed expenditure and the estimated cost thereof.

(b) Copy of construction or work agreement.

(c) Description and book cost in detail of all property which will be retired in connection with the proposed construction, with an estimate of the cost of removal and the salvage to be recovered.

(d) An affidavit by the chief accounting officer of the petitioner
that no part of the cost of the work proposed is in whole or in part reasonably chargeable to operating expenses or to income, except as therein set forth.

(e) Detailed statement of the reasons why the proposed expenditures should be defrayed by the issuance of securities.

(f) At the hearing, the applicant shall be prepared to show by competent evidence that it is necessary to issue the securities for the purposes proposed, that the proposed expenditures are required to provide adequate service at reasonable rates and that the statements in the petition are true.

37.5 Specific provisions for refunding of obligations or retirement of securities.

If securities are to be issued for refunding of obligations or the retirement of other securities (the petition duly verified shall state or contain):

(a) Description of obligations or securities to be refunded including par or face value thereof, interest or dividend rate, date of maturity, call premium to be paid, amount of money or other consideration actually received when refunded obligations or securities were issued, use made of said proceeds, unamortized costs of issue and unamortized premiums.

(b) Proposed disposition of unamortized costs and premiums.

(c) Unpaid interest or accrued dividends.

(d) At the hearing, applicant shall be prepared to show by competent evidence the facts upon which it relies to establish that the transaction is in the public interest and that the statements in the petition are true.

37.6 Specific provisions for reimbursement.

If securities are to be issued for reimbursement (the petition duly verified shall state or contain):

(a) Balance sheets of the corporation at the beginning and end of the period covered by reimbursement proceeding.

(b) Balances in operating property account (or its equivalent) at the beginning and end of the period and by subaccounts.

(c) Original cost of property added to each subaccount of the operating property account (or its equivalent) for each of the years covered by the reimbursement proceeding.

(d) Credits to each subaccount for property retired in each year.

(e) Details of all other debits and credits to each of said subaccounts in each year.

(f) Analysis of retirements year by year to show book cost of each credit to operating property accounts, debit to depreciation reserve or other account, cost of removal and salvage.

(g) Analysis of credits to depreciation or retirement reserve to show the nature and source of each and basis of contra charges to expense or other account.

(h) Amount of fees in detail charged by affiliated interests, as such term is defined in the Public Service Law, which were included in the amounts required to be stated in subdivision (c) above.

(i) Funds available from other sources during the reimbursement period to meet the gross cost of additions to operating property account, including proceeds from salvage, contributions from customers and others and depreciation reserve accruals.
(j) Affidavit by petitioner's principal financial officer that proper credits to said subaccounts have been made for all property which was removed, sold, abandoned or destroyed or which for any cause ceased to be used and useful in the service of the public during the reimbursement period as required by the applicable system of accounts prescribed by this commission; that during the reimbursement period the debits to each of said subaccounts represent the original cost of the property used and useful in the service of the public; that the funds expended for purposes for which reimbursement is sought were not directly or indirectly derived from the sale of stocks, bonds, notes or other evidences of indebtedness or from open accounts of the petitioner.

(k) Purposes for which the funds to be obtained from the securities to be issued are to be used.

(1) At the hearing, applicant shall be prepared to show by competent evidence the facts upon which it relies to establish that the transaction is in the public interest and that the statements in the petition are true.

37.7 Submission of proposed consideration. All data required by the above rules or considered necessary by the commission, except the consideration, for which said securities are to be issued or sold, must be submitted at least 20 days before final action by the commission thereon; and said consideration must be submitted before approval is given, together with an affidavit of the president of the applicant that the proposed issued is to be sold on the most advantageous terms obtainable.

37.8 Radio-telephone utilities and resellers of telephone service.

Applications pursuant to section 101 of the Public Service Law by radio-telephone utilities and resellers of telephone services need contain only a description of the securities to be issued and the purposes for which the issuance is sought.

PART 38
REORGANIZATIONS
(Statutory authority: Public Service Law, õõ 20, 142)

Sec.
38.1 General
38.2 Contents of petition
38.3 Reorganization pursuant to the Federal Bankruptcy Act

Section 38.1 General.

Applications under sections 69-a, 82-a, 89-g and 101-a of the Public Service Law are treated as capitalization matters (see Part 48 of this Subchapter) and there shall be filed a petition to which shall be annexed a copy of the proposed reorganization agreement. As a part of the petition, there shall be full information with reference to the matters which by such sections are specifically required to be considered by the commission before reorganization can be had.

38.2 Contents of petition. The petition shall include the following:

(a) The facts called for in subdivisions (f), (g), (h), and (k) of section 37.1 of this Article.
(b) Non-operating property and its present market value.
(c) Estimate of the maximum amount for reorganization costs.
(d) Balance sheets for the last five years.
(e) Income statement for the last five years.

38.3 Reorganization pursuant to the Federal Bankruptcy Act.
Reorganizations of New York State public utilities pursuant to the provisions of the Federal Bankruptcy Act require the approval of the Public Service Commission. Upon the submission of such a plan of reorganization, the commission will determine if the public interest is involved. When such a determination is made, the Federal court will be duly notified. Thereafter, public hearings will be held at which the reorganization committee of the utility must establish by competent proof that the proposed plan is in the public interest. It should appear that the securities proposed to be issued by the reorganized company do not exceed the value of the property to be held by such corporation and that the prospective earnings are sufficient to pay a return on the new securities. The approval of the commission to a reorganization plan does not relieve the reorganized company from securing necessary consents to the transfer of property, amendments of its certificate of incorporation or the issuance of securities.

39.1 Contents of petition. In all applications for authorization to purchase or acquire capital stock of any domestic railroad corporation, other common carrier, a telegraph or telephone corporation, or capital stock or bonds of an omnibus corporation, a gas, electric, steam or waterworks corporation, the petition shall be made by the corporation proposing to acquire the securities and shall show:
(a) The financial condition of the applicant if a public utility and of the corporation whose stock or bonds are sought to be acquired or held as required. (See Part 3 of this Chapter.)
(b) The reasons in detail why the applicant desires to make the purchase and the amount of such stock or bonds already owned by the applicant.
(c) The market value of the stock or bonds to be purchased, if practicable, with highest and lowest sale price during a period of at least three years prior to the making of the petition and the dates of such sales; dividends, if any, paid on the stock proposed to be acquired for a period of five years prior to the making of the petition; the price proposed to be paid and the terms of payment.
(d) Certified copy of authorizations already received and a statement of authorizations which must be obtained from other State or Federal authorities before acquisition of the securities may legally be consummated.
39.2 Evidence to be presented at hearing. At the hearing, the applicant shall be prepared to show that the proposal is in the public interest and that the statements made in the petition are true.

39.3 Radio-telephone utilities and resellers of telephone services. Applications pursuant to section 100 of the Public Service Law by radio-telephone utilities and resellers of telephone services shall contain:
   (a) a description of the securities to be purchased or acquired;
   (b) the reasons in detail why the applicant desires to make the purchase or acquisition; and
   (c) the amount of such stock or bonds already owned by the applicant.

Article 5
Uniform System of Accounts
PART
46 Applications under Uniform System of Accounts
APPENDICES
47 Applications Provided for in Notes to Accounts for Capital Stock for Electric, Gas, Steam, Waterworks, Omnibus Corporations and Class C Telephone Corporations
48 Material Changes in Accounting for Class A Utilities

PART 46
APPLICATIONS UNDER UNIFORM SYSTEM OF ACCOUNTS
(Statutory authority: Public Service Law, §§ 20, 142) Note: Part 46 relates only to applications under the following provisions of the Uniform System of Accounts:

Delayed items:
   Instruction 7, municipal electric utilities
   Spreading of income, revenue and expense items:
   Section 167.4 electric
   Section 312.4 gas
   Section 461.14 steam
   Section 561.18 water-works corporations, classes A and B
   Section 197.31, municipal electric utilities, classes A, B, C, and D
   Account 182, Extraordinary Property Losses, electric, gas, and water-works corporations, classes A and B
   Account 141, extraordinary property losses, steam corporations classes A and B
   Account 1438, deferred maintenance and retirements, telephone corporations, classes A and B
   Account 143, suspense to be amortized, municipal electric utilities, classes A, B, C and D
   Account 1146, miscellaneous deferred debits, electric, gas and water-works corporations, classes C and D
   Account 146, regulatory commission suspense, municipal electric utilities, classes A, B, C and D

Sec.
46.1 Verification by principal accounting officer
46.1 Verification by principal accounting officer. Applications by municipal electric utilities and omnibus corporations for authority to carry to surplus portions of delayed items, and by these and other classes of corporations to spread over a future period unusual items includible in revenue, operating expense or income account for a single month and applications for authority to set up in suspense or deferred debit or deferred credit accounts items coming within the intent thereof, shall be verified by the principal accounting officer of the petitioner.

46.2 Contents of petition. The application shall describe in detail the nature of the particular item or items under consideration and the circumstances which warrant the treatment petitioned for, and the extent to which reserves are available or have been utilized in respect to such items.

46.3 Petition for spreading items. Applications for spreading revenue, expense or income items shall state whether they relate primarily to past or future operations and the relation of each such item to:
   (a) the normal monthly balance in the particular account in which it is includible; and
   (b) the normal monthly total of the balances of the group of revenue, expense or income accounts within which such account falls.

46.4 Information to be filed with petition. Petitioner shall file with its petition:
   (a) Detailed balance sheet as of the end of each of the two fiscal years next preceding.
   (b) Detailed balance sheet as of the end of the month preceding that in which the delayed item was recorded, the unusual item originated or the retirement of property took place.
   (c) Detailed revenue, expense and income accounts for each of the two preceding fiscal years and for the portion of the current year up to and including the month preceding that in which the delayed item was recorded, the unusual item originated or the retirement of property took place.
   (d) The exact titles of the account and subaccount in which the item is to be held during the amortization period.
   (e) The period over which the item is to be spread and the titles of the accounts to be used and the amount to be carried monthly to each such account to accomplish the purpose covered by the petition.

46.5 Evidence to be presented at hearing. At the hearing, applicant shall be prepared to justify the proposal and to show that the statements made in the petition are true.
Corporations and Class C Telephone Corporations

(Statutory authority: Public Service Law, §§ 20, 142)

Sec.
47.1 Verification and contents of petition
47.2 Articles of incorporation to be filed
47.3 Tabulation of capitalization proceedings to be filed
47.4 Evidence to be presented at hearing

Section 47.1 Verification and contents of petition. (a) Applications for authority to make entries in capital stock accounts shall be verified by an officer of the petitioner competent under the law to verify an annual report to the commission, shall state in detail the nature of the entry to be made and the accounts concurrently affected thereby, and shall cite the authority under which the right to make such entry is claimed.

(b) The application shall contain:
(1) certified copy of the resolution or other official act of the board of directors authorizing the proposed change in the capital stock account;
(2) comparative balance sheet as of the date on which the adjustment in capital stock is to be made, showing accounts before and after giving effect to the proposed change; and
(3) a statement of financial condition as required under Part 3 of this Title, except as specified in greater detail herein.

(c) The application shall also show as of the date of the petition for each class of stock:
(1) number of shares reacquired and price paid therefor;
(2) number of shares outstanding subdivided between actually outstanding and nominally outstanding (reacquired), and the amount at which such shares are carried on the balance sheet;
(3) premium realized on outstanding par stock; and
(4) amounts transferred to accounts for each class of nonpar stock, the date of such transfer and the account from which the transfer was made.

47.2 Articles of incorporation to be filed. The petitioner shall file with its application a copy of its original articles of incorporation and each amendment thereto affecting its capital structure.

47.3 Tabulation of capitalization proceedings to be filed. The petitioner shall also file with its application a tabulation of proceedings before the Public Service Commission, or its predecessors, in which authorization of capital stock was petitioned for, showing for each such proceeding:
(a) class of stock;
(b) number of shares petitioned for;
(c) number of shares and par value thereof authorized, or if nonpar stock, the estimated selling price;
(d) number of shares sold and proceeds realized;
(e) number of shares for which authorization was canceled prior to issue; and
(f) number of unissued shares covered by unexercised authority.

47.4 Evidence to be presented at hearing. At the hearing, the
petitioner shall be prepared to justify the proposal and to show that the statements made in petition are true.

PART 48
MATERIAL CHANGES IN ACCOUNTING FOR CLASS A UTILITIES
(Statutory authority: Public Service Law, §§ 66(5), 80(4), 89-c(4), 97(2))

Sec.
48.1 Material changes
48.2 Time of changes
48.3 Contents of notice
48.4 Evidence to be presented at hearings

Section 48.1 Material changes. (a) This Part applies only to changes in accounting which have a material effect on utility prices.
(b) A change in accounting is material if the after-tax effect of such change exceeds 0.05 percent of common equity.

48.2 Time of changes. (a) A change in accounting may be proposed in conjunction with a general rate filing.
(b) If not proposed in conjunction with a general rate filing, advance notification (60 days) to the office of accounting and finance is required. The director of accounting and finance shall then negotiate changes in substance or timing in instances where he disagrees. If agreement cannot be reached, the matter may be referred to the commissioner for resolution. While the matter is pending, the utility shall continue to use the existing accounting methods.

48.3 Contents of notice. A notice filed pursuant to section 48.2(b) of this Part shall set forth in detail that special circumstances exist which warrant approval of the proposed change in accounting before the commission renders its decision on the petitioner's next general rate filing.

48.4 Evidence to be presented at hearings. At a hearing held on a petition filed pursuant to section 48.2(b) of this Part, the petitioner shall be prepared to justify the proposal and to show that the statements made in the petition are true.
Sec.
55.1 Verification and contents of petition
55.2 Telephone corporations
55.3 (Reserved)
55.4 Electric, gas, steam and waterworks corporations

Section 55.1 Verification and contents of petition. (a) Applications shall be verified by the person designated to exercise supervision over the destruction of records (see section 152.5 of regulations to govern the preservation of records (Part 152 of this Title)) or, in the absence of such a person, by the principal accounting officer of the petitioner, and shall set out in detail the nature of the papers, records, books, invoices, stubs, maps or documents which it wishes to destroy and the necessity for such action.

(b) The application shall show:
   (1) whether the papers to be destroyed are originals or copies;
   (2) whether or not they directly support financial records;
   (3) the subject to which they relate, classified as nearly as possible in accordance with regulations adopted by the commission to govern the preservation of records; and
   (4) the period of time to which the records apply.

55.2 Telephone corporations. Applications by telephone corporations shall be made under general instruction 2 of the uniform system of accounts of this commission.

55.4 Electric, gas, steam and waterworks corporations. Applications by electric, gas, steam and waterworks corporations and municipal electric, gas and steam utilities shall be submitted under section 152.9 of regulations to govern the preservation of records (Part 152 of this Title).

Sec.
56.1 Contents of petition
56.2 Evidence to be presented at hearing

Section 56.1 Contents of petition. Application for consent and approval of the use of revenues, as required by section 107 of the Public Service Law, shall set forth the purposes for which the funds are to be used with the reasons for such use in sufficient detail to enable the commission to determine if consent and approval should be granted. The application shall state the financial condition of the applicant.

56.2 Evidence to be presented at hearing. At the hearing, the applicant shall be prepared to establish that the proposed use of its
revenues will not adversely affect its ability to provide adequate service at reasonable rates and that the proposed use is justified. The commission may require such additional evidence as it deems desirable.

PART 57
SUNDARY APPLICATIONS
(Statutory authority: Public Service Law, òò 20, 142)

Sec.
57.1 Contents of petition

Section 57.1 Contents of petition. Applications under sections of the Railroad Law, the Transportation Corporations Law, the Stock Corporation Law or other statutes shall be made by verified petition which shall set forth the facts upon which petitioner relies to establish its right to the authority sought.

PART 58
PETITIONS FOR EXEMPTION FROM COMPLIANCE WITH PROVISIONS OF THE PUBLIC SERVICE LAW
(Statutory authority: Public Service Law, òò 66(13), 80(11), 89-c(11))

Sec.
58.1 Applicability of Part
58.2 Contents of petition
58.3 Gas service to less than 20 customers
58.4 Gas service to 20 or more customers; electric, steam and water service

Section 58.1 Applicability of Part. This Part applies to any person deemed a gas corporation, electric corporation, steam corporation or waterworks corporation for the purpose of the Public Service Law, who or which is engaged in carrying on any business other than owning, operating or managing a gas plant, electric plant, steam plant or water system, respectively, provided that such person's other business is not subject to the jurisdiction of the commission and is so conducted that its operations are to be substantially kept separate and apart from the owning, operating, managing or controlling of such gas, electric or steam plant or water system, and that the ownership, operation or control of any gas, electric or steam plant or water system by such person is wholly subsidiary and incidental to the other business carried on by it and is inconsiderable in amount and not general in its character. Any such person may petition the commission for exemption from compliance with the provisions of the Public Service Law as specified in this Part.

58.2 Contents of petition. (a) The petition shall set forth in detail the reasons and facts which warrant the granting of the relief requested, and which establish that the exemption is in the public interest. The petition shall contain at least the following:

(1) a description of the nature and extent of both the petitioner's general business and its utility business (including the amount of revenue received from such business);

(2) the names and addresses of utility customers the petitioner wishes
to serve;
(3) a description of the type, amount and anticipated duration of the utility service to be provided;
(4) a demonstration that the petitioner will be able to provide safe and adequate utility service; and
(5) the name and address of any franchised utility which is providing similar service to customers in the territory which the petitioner wishes to serve.

(b) If the petitioner seeks the commission's approval pursuant to Public Service Law, section 68, 81 or 89-e, it shall so state. The petition shall include the information required by sections 21.2 and 21.3 of this Title.

(c) If the petitioner has already received the commission's approval pursuant to Public Service Law, section 68, 81 or 89-e, the petition shall include:
(1) a list of the franchises being exercised, including:
   (i) the names of the grantors, the dates when granted, the dates of approval by the commission and the numbers of the cases in which approval was granted; and
   (ii) copies of any franchise duly certified by the proper official; and
(2) a description of the plant or system to be operated.

58.3 Gas service to less than 20 customers. Where the permission granted the petitioner pursuant to Public Service Law, section 68, is to supply gas only to less than 20 customers specified by the commission, the commission may, if the public interest permits, exempt such corporation from compliance with all or any of the provisions of Public Service Law, article 4, except those affecting matters of public safety and the provisions of sections 26, 65 and 68.*

*FOOTNOTE: The power of the commission to commence an enforcement proceeding, which is now set forth in section 26 of article 1 of the Public Service Law, was previously set forth in section 74 of article 4.

58.4 Gas service to 20 or more customers; electric, steam and water service. Where the permission granted the petitioner pursuant to Public Service Law, section 68, 81 or 89-e, is to supply gas to 20 or more customers or electricity, steam or water to any number of customers specified by the commission, the commission may, if the public interest permits, exempt such corporation from making full reports and from keeping accounts as to such subsidiary and incidental business.

SUBCHAPTER D
Rate Proceedings
PART
61 Rate Proceedings
PART 61
RATE PROCEEDINGS
(Statutory authority: Public Service Law, §§ 20, 142)
Note: Proceedings involving the reasonableness of existing or proposed rates vary so greatly in character and scope that it is impossible to
prescribe rules of universal application that are suited to all rate proceedings. These proceedings range all the way from a simple proposal to change a rule which would increase or decrease the bills being paid by a few consumers to a broad proceeding involving all of the rates of a utility rendering service in the entire State. The former may require only one brief hearing because of the simplicity of the questions involved. The latter, as the experience of the commission has demonstrated, may consume years, require scores of hearings and thousands of pages of testimony preceded by long and tedious investigations of property, inventories and values together with extended analyses of operating costs, etc. Because of these facts, no attempt is here made to specify the data that must be supplied in all rate proceedings, but the following are of general application. Possibly the only one of universal application is the one first mentioned (see section 61.1 of this Part) which finds its origin in the Public Service Law.

Sec.

61.1 Burden of proof
61.2 Presumption as to existing rates
61.3 Matters to be established by utility
61.4 Expected changes
61.5 Establishment of original cost and accrual depreciation
61.6 Property acquired from affiliated interests
61.7 Reproduction cost
61.8 Working capital
61.9 Amounts previously charged to other than capital accounts
61.10 Restriction on rate filings

Section 61.1 Burden of proof. The burden of proof is upon the utility whose rates, rules and regulations relating thereto, charged or proposed to be charged, are being considered.

61.2 Presumption as to existing rates. The rates, rules and regulations relating thereto that are in effect when the proceeding is initiated will not be presumed to be just and reasonable.

61.3 Matters to be established by utility. (a) The utility whose rates, rules and regulations are being considered shall establish by competent testimony:

(1) the annual revenues under the existing rates, rules and regulations that are being considered and under those which said utility proposes to charge;

(2) number of units of service rendered (e.g., kilowatt-hours, M cubic feet, car miles and car hours or telephone calls) for each service classification involved, actual and proposed; and

(3) revenue per unit similarly.

(b) Such utility shall establish by competent testimony:

(1) the detailed cost of rendering the service to which such rates, rules and regulations are applicable;

(2) the cost per unit of service rendered as defined in the preceding paragraph; and

(3) other customary operating statistics.

(c) Such revenues and costs shall be:

(1) for each of the three years immediately preceding the initiation
of the case;
(2) for such later periods as the progress of the proceeding will permit; and
(3) all changes in said rates, rules and regulations during the entire period shall be fully and exactly set forth.
(d) Such utility shall establish by competent testimony:
(1) comparative balance sheets at the end of the four preceding fiscal years and the latest available month;
(2) comparative income statements for the three preceding fiscal years and for the current year through the latest available month;
(3) amount and bases of charges for depreciation or amortization included in such operating expenses;
(4) earned surplus statements for the three preceding fiscal years and for the current year through the latest available month;
(5) complete and detailed statements of the merchandising and jobbing business conducted by the utility during the three preceding fiscal years and for the current year through the latest available month, including the revenues applicable thereto, the total expenses incurred in conducting this business, taxes applicable thereto and return on the property used therefor. This testimony shall be complete and in detail and shall include all costs of every kind and description; and
(6) the gas purchasing policies and load management practices and how the company is insuring that gas costs for both the test period and rate year are prudent and from the least-cost reliable sources. Such testimony should discuss both the long- and short-term gas procurement plans as well as a description of existing gas supply contracts. This testimony should be complete and in detail, including quantities as well as costs for all sources of gas supply.

61.4 Expected changes. If the utility involved believes that there will be changes in revenues, expenses or income which should be considered in determining reasonable rates for the future, it shall present competent testimony to support such estimates. Speculative or conjectural data are not acceptable and all estimates must be explained in detail and the bases definitely established.

61.5 Establishment of original cost and accrual depreciation. Where return is involved or claimed, the utility shall establish by competent evidence the original cost of the property used and useful in the service to which the rates, rules and regulations involved in the proceeding relate and the accrued depreciation thereon. All property not so used and useful shall be excluded (note particularly of section 61.3(d)(5) of this Part). Accrued depreciation as used herein means the loss or depletion in worth or value, compared with a specified cost new, due to all causes which bring about the ultimate retirement of the property, such as wear and tear, decay, action of the elements, inadequacy, obsolescence, changes in the art, changes in demand and requirements of public authorities. Departure from newness, estimated cost of needed repairs or that part of depreciation which may be measured by inspection alone will not be accepted as satisfactory evidence of the total amount of accrued depreciation actually existing in the property.

61.6 Property acquired from affiliated interests. In the case of
property acquired from affiliated interests, as defined in section 110 of the Public Service Law, there shall be shown whenever possible the original cost of such property to the corporation or person constituting such affiliated interest and the depreciation accrued by such corporation or person at the time of sale or transfer to the utility.

61.7 Reproduction cost.
(a) Evidence of reproduction cost need not be submitted, but if presented, it shall be primary accounts and subdivisions thereof as prescribed in the applicable uniform system of accounts prescribed by this commission and the corresponding original cost and book cost of the property as defined in this section shall be shown if the book cost differs from original cost.
(b) If evidence of reproduction cost is submitted, the accrued depreciation as herein defined, that is applicable to such reproduction cost, shall be shown by primary accounts and subdivisions thereof as provided for in section 61.5 of this Part. Reproduction costs without accrued depreciation is not an element in determining the value of the property for the purpose of computing a return and will not be accepted as such.

61.8 Working capital. Any claims for working capital or other elements of value must be established by competent evidence.

61.9 Amounts previously charged to other than capital accounts. Whenever amounts previously charged to operating expenses or to income accounts or to surplus are included in claimed original cost or book cost of said property, such amounts shall be clearly set forth with the date of such charges.

61.10 Restriction on rate filings. (a) Whenever the effective date of any change to any public utility company's tariff schedule is suspended by order of the commission pending an investigation of that company's revenue requirement, no change of any other tariff schedule in force at the time of the commission's suspension order shall be accepted for filing without the approval of the commission, except as provided by subdivision (c) of this section.
(b) No change of any tariff schedule shall be accepted for filing without the approval of the commission, unless the changed schedule:
(1) contains a tariff leaf setting forth a schedule of surcharges designed to allocate the expense of each utility gross revenue tax, imposed by a city, a village, or the State, to the customers whose service produces revenues subject to that tax; or
(2) contains no changes other than those set forth in subdivision (c) of this section.
(c) The following proposed tariff schedule changes shall not require the filing approval required in subdivision (a) of this section:
(1) changes made pursuant to or authorized by applicable orders of the commission, such as compliance filings following rate level or rate design investigations and expressly authorized second-stage rate increases;
(2) changes in formula rates, such as the fuel and gas adjustment clause, annual factor of adjustment, annual gas surcharge or refund, gross receipts tax surcharge, and two-tier telephone rate revisions;
(3) changes in special service charges, such as late payment, no
access, meter recovery, connection, field collection, seasonal turn-on
and turn-off, and undergrounding charges;
(4) changes designed to offer a new or expanded service or curtail an
existing service, such as telephone base rate area expansions, locality
zone changes, extended area service offerings and exchange area
transfers; and
(5) changes in the terms and conditions of service, other than rates
and charges, without substantial revenue or customer bill effects and
changes made for the movement of text to other pages to accommodate
other authorized changes.
(d) Petitions for the approval required by subdivisions (a) and (c) of
this section shall be:
(1) submitted to the secretary with all matter to be filed in support
of the proposed change, and shall explain why the filing should be
accepted prior to completion of the suspension period;
(2) served upon all parties to any proceeding which is pending to
investigate a suspended schedule; and
(3) approved or denied for filing, subject to such terms or conditions
as the commission may prescribe.
(e) For the purposes of this section, tariff schedule shall mean any
rate, charge, form of contract or agreement, rule, regulation, service,
general privilege or facility of a public utility company, or other
agency subject to the commission's jurisdiction. Separate departments of
public utility companies providing gas, electric and steam service under
separate tariff schedules shall be considered separate entities for the
purpose of this section.

Section 84.1 Aerial spraying approval. (a) Any electric utility in New
York State that proposes to apply herbicides using the aerial
application technique to manage right-of-way (ROW) vegetation shall, on
a site-by-site basis for any given transmission ROW, submit a plan, with
suitable maps and charts, justifying its choice of aerial herbicide
treatments of ROW vegetation. At a minimum, the plan shall describe
vegetation types to be treated, ROW access conditions, and measures to
insure that nontarget resources such as surface and ground waters,
 potable water supplies and nontarget lands, such as residential and
recreational areas, croplands, and other sensitive areas, will not be
fouled by the herbicides. The statement shall also describe how the proposed aerial applications will achieve the ROW vegetation management goals that the company has established for the ROW system as a whole and management objectives for the affected individual ROW's.

(b) Such information shall be filed at least 60 days before the date on which the proposed aerial spraying is scheduled to begin. The proposed aerial spraying will not begin unless the affected company complies with the informational requirements specified in subdivision (a) of this section, and the commission approves the proposal. If, however, the commission has not acted upon the proposal within 45 days after its filing, the plan shall be deemed approved.

84.2 Long-range right-of-way management plan for electric transmission systems. (a) Each member system of the New York Power Pool, except the Power Authority of the State of New York, shall, by March 31, 1981, submit for review and approval by the New York State Public Service Commission a long-range right-of-way (ROW) management plan for each respective electric transmission system comprised of transmission facilities of 34 kv and above, except where located entirely on public streets or roads. The plan, shall, at a minimum, describe each company's structure and organization for ROW management planning and program operation. The plan, with appropriate maps, charts and text, shall describe the ROW system in general terms, its location, extent, components by voltage class, ROW widths and general conditions. A statement shall be included explaining the rationale for selecting the time frame which the plan encompasses.

(b) The plan shall describe the functions of key positions in ROW management, including provisions and responsibilities for establishing and achieving long-range ROW management goals and annual right-of-way maintenance objectives.

(c) The plan should include a brief history of past and present ROW management policies and practices that would influence future management policies and practices. The management issues that the plan will address should be discussed along with the plan's goals and objectives that are established as a response to the issues.

(d) The plan should describe landowner or land-user notification procedures and restrictions concerning company ROW management plans and practices. The utilities should explain how they receive and handle restrictions and requests which modify management practices and procedures, especially those involving chemical treatments. Procedures for identifying, evaluating, reporting and responding to ROW maintenance problems should be described. Determinations of appropriate ROW treatments and maintenance schedules or cycles should be described, showing their relationship to long-range management goals and more immediate program objectives for both the ROW's as a whole and vegetation in particular.

(e) The plan should list the various ROW management techniques used by the utility and the conditions under which a given mechanical, chemical or other technique is normally considered appropriate. There should be a discussion of the clearance standards sought, costs, effectiveness, environmental impacts, and other relevant concerns associated with use of the techniques. For chemical treatments the section should also include a discussion of combinations of treatment methods and materials, follow-up treatments, and the influence of accessibility, vegetation
density, type and height, and other physical factors not described elsewhere.

(f) The approach to preparation of annual maintenance plans and schedules for individual ROW's and the steps to implement them to achieve the long-range plan goals should be discussed. The approaches that are used to determine work force size, type (e.g., company versus contractor) and capability, equipment and materials, and a description of training needs, budgets, specifications for treatments, and methods of program monitoring and evaluation should be included. Examples of forms, reports, records, etc., particularly those for cost accounting, should be provided in the plan or in appendices.

(g) The plan should contain a summary of those ROW management issues that have not yet been resolved and which are included in present or anticipated research activities involving ROW maintenance. Areas of any needed research which have not been undertaken should be briefly described.

(h) A discussion of regulations, licensing and permits should identify any needs there are for such authorizations to conduct ROW management operations.

(i) The plan should describe approximate funding levels that are needed to accomplish annual and multi-year ROW management planning goals. Any strategies involving significant increases in annual or multi-year funding levels that are deemed necessary to advance the achievement of plan goals should be included.

(j) The final section should describe provisions for periodically reviewing, evaluating and revising the long-range plan, and the time interval for such revisions.

SO DOC 16A-84.3

NYCRR 84.3 Transmission right-of-way maintenance programs and schedules. (a) Each member system of the New York Power Pool, except the Power Authority of the State of New York, shall, by March 31, 1981, prepare and file with the commission a right-of-way (ROW) maintenance program for its transmission system which is designed to achieve the company's long-range ROW management planning goals. At a minimum, the program should contain the following elements:

(1) provisions for regular inspections of the ROW's, including the specifics of the types of inspection and the frequencies of inspection;

(2) specific quantitative criteria relating to the clearances between conductors and vegetation and the corresponding range of time in which the vegetation maintenance must be performed. These criteria are to be used by ROW inspectors in determining when maintenance is necessary;

(3) a requirement that annual schedules for the treatment of vegetation based on the results of the ROW inspections be prepared;

(4) preparation and use of standardized inspection reports to record the findings of all ROW and vegetation inspections;

(5) the preparation and use of standardized reports of all ROW maintenance and vegetation treatments. Reports must include the type, location, acreage, and date of all mechanical, chemical or other treatments; and

(6) retention, for a period of three years, of herbicide application reports, and retention, for a period to coincide with the maintenance cycle of the company, of ROW inspection dates, maintenance schedules and maintenance activities for each ROW in the transmission system. Maintenance information may be summarized on an annual basis and recorded on the
permanent record for each transmission facility.

(b) It is the commission's intention by imposing these requirements to allow the utilities to develop their own ROW maintenance programs, but yet ensure that adequate records are maintained so that staff of the department may periodically examine them and report to the commission if they find that ROW vegetation treatment is being postponed or deferred to the extent that it threatens either the performance of the line during emergencies or attainment of the goals of the long-range ROW management plan.
article one of the Highway Law and article six of the village law, or which replaces an existing transmission line, including appurtenant facilities, and extends a distance of less than one mile;

(e) municipality means a county, city, town or village;

(f) NOI means a notice of intention filed under section 85-1.2 of this Subpart;

(g) person means any individual, corporation, public benefit corporation, political subdivision, governmental agency, municipality, partnership, cooperative association, trust or estate;

(h) pipeline means a line which transports gas at any pressure;

(i) psig means pounds per square inch gauge;

(j) PSL means the New York Public Service Law; and

(k) R/W means right-of-way, which is an easement-acquired or fee-owned corridor in which a gas transmission facility is located.

FOOTNOTE: {1} Appurtenant facilities are defined in Public Service Law, section 120(4).

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.SD DOC 16A-85-1.1 NYCRR

85-1.1 Environmental management and construction standards and practices.

All persons who intend to construct fuel gas transmission lines as described in this Subpart shall:

(a) file in accordance with the requirements of ñ 3.5 of this Title, the EM&CS&P that will be followed to protect and minimize impact to the environment during installation and maintenance of all such lines; and

(b) file in accordance with the requirements of ñ 3.5 of this Title, a certified statement agreeing to install and maintain such lines in accordance with EM&CS&P approved by the Commission.

.SD DOC 16A-85-1.2 NYCRR

EXPLANATION: Matter in braces {} is superscript

85-1.2 Filing and service of notices of intention.

(a) Any NOI filed by an applicant to construct a fuel gas transmission line less than five miles long and six inches or less in nominal diameter shall contain:

(i) the dates on or about which the applicant intends to begin construction of the line;

(ii) a brief statement describing and locating the line (using text and a topographic map at a scale of 1:24,000 -- 1 inch = 2,000 feet -- or larger with legend), including:

(i) its length (and the nominal diameter of its segments), including markers required by paragraph 9 of Appendix 14-K of 16 NYCRR Part 255;{3}

(ii) depth at which pipe will be buried;

(iii) maximum allowable operating pressure (psig);

(iv) R/W width;

(v) width of any area to be cleared;

(vi) any known underground facilities to be crossed or paralleled;{3}

(vii) name or permit number of any wells to be connected to the line;{3}

(viii) the point where the line connects to another pipeline (giving the nominal diameter of such line and the owner's name);{3}

(ix) existing or proposed access roads to be used for construction and maintenance of the line and any associated compressor station;{3}
(x) for any new or expanded compressor station, a site development plan (at a scale of at least 1 inch=20 feet), showing: location; setbacks to property lines; structures (giving profile, materials and finish); grading and landscaping; drainage provisions; number, type, size and model of the compressor(s) and silencer(s); and the materials and design of any noise abatement structures; and

(xi) the name of every municipality in which any portion of the line is to be located;

(3) an indication of which measures and techniques from the approved EM&CS&P to which the applicant has agreed (or any site-specific modification thereof) will be followed in an effort to minimize or avoid adverse environmental impact on sensitive resources affected by the line(s) to the maximum extent practical, which resources include:

(i) existing and officially approved planned residential, commercial, industrial, institutional, recreational and agricultural land uses;

(ii) ecosystem resources, including highly erodible soils, wetlands, flood plains, streams, springs, wells, unique old-growth forests, active sugarbushes, productive timber stands, trees listed in the Registry of Big Trees in New York State and habitats of rare, threatened and endangered species (from wetlands on, these resources can be identified in cooperation with the landowner and the Department of Environmental Conservation);

(iii) officially designated visual resources, including scenic areas, roads, vistas and overlooks; and

(iv) officially designated cultural resources, including archaeological sites and historic districts, places and properties.

(b) The applicant shall file and serve the NOI in accordance with the requirements of § 3.5 of this Title and serve one copy on the chief executive officer of every municipality in which any portion of the line is to be located. Proof of service shall accompany the NOI.

(c) If an applicant wishes to construct and operate a line without obtaining a permit from any other State agency, municipality or agency thereof, the NOI shall contain, in addition to the information required by subdivision (a) of this section:

(1) a request that the line(s) included in it be reviewed under § 121-2(7) of the Public Service Law;

(2) a list of applicable State and local laws and regulations issued thereunder, including copies of any local ordinance, law, resolution or other action, any regulation issued thereunder, or any local standard or requirement that, as applied to the line, the applicant believes to be unreasonably restrictive in view of the existing technology, factors of cost or economics or the needs of consumers; and

(3) a request that the commission make the determination set forth in § 126(1)(f) of the Public Service Law.

(d) If the NOI contains the request set forth in paragraph (c) (1) of this section, the applicant shall serve one copy on each State agency which has the authority to administer and enforce compliance with any legal provision cited in response to the requirement of paragraph (c) (2) of this section. The applicant shall serve the Commissioner unless an agency has regional offices; in such case, a copy shall also be sent also to the regional office. Proof of service shall accompany the NOI.

(3) This item shall be shown on the map, which shall cover the entire
(4) The applicant shall provide the name, title and qualifications of the company representatives directly responsible for seeing that all environmental requirements are fully met.

(5) Concerning agricultural land use, the applicant shall, in cooperation with the landowner(s) and Soil and Water Conservation District, consider both active and inactive fields. Active and inactive fields, by definition, are cropland, rotation hayland and cropland, hayland, livestock grazing areas, orchards and vineyards. The applicant shall also identify those areas containing practices for agricultural resources management, including strip-cropping, diversion terraces, underground tile drain lines, surface drainage ditches, and waste management conveyance and storage systems.

(6) To aid in the selection of measures and techniques for minimizing adverse environmental impact on the soil’s resource, the applicant should contact the county office of the U.S. Department of Agriculture, Soil Conservation Service, to identify the soil type(s) and slope(s) and respective limitations, including the depth of the topsoil, depth from surface to bedrock, and soil drainability.

(7) Productive timber stands are viable or potential commercial forest stands composed of saplings (0-5 inches in diameter), poles (6-11 inches in diameter- and/or mature trees (12 inches plus in diameter).

(8) Designated and listed by the State, county, town, city or incorporated village. This includes listings by the State Historic Preservation Officer and the National and State Registers for historic and cultural sites.

(9) Provision of additional copies directly to county and town planners, and county, town, city or village highway superintendents, will expedite the certification process.

(10) To satisfy this requirement, a list of State and local permits will usually be sufficient. This list might include wetland permits, stream-crossing permits, road-crossing permits, or any other State or municipal permit. The applicant’s filing of a road-crossing permit form with the Department of Transportation does not alter the commission’s jurisdiction as the ultimate decisionmaking authority with respect to the siting of fuel gas transmission lines.

(11) Before filing copies with the commission, the applicant should contact the appropriate regional office to obtain the name and address of the official who should be served.

SO DOC 16A-85-1.3                 NYCRR
EXPLANATION: Matter in braces {} is superscript

85-1.3 Filing and service of applications.

(a) An application to construct a fuel gas transmission line which is less than 10 miles long, other than as described in § 85-1.2(a) of this Subpart, or section 120(2) of the Public Service Law, shall contain:

1. the information required by:
   (i) § 85-1.2(a) of this Subpart; and
   (ii) § 85-1.2(c)(2) of this Subpart;

2. a description using text and detailed construction-type map (at a scale of 1 inch = 400 feet, or larger) showing the centerline and the specific relationship of the line to such features as:
(i) sensitive resources which will be affected by the line, as defined in ñ 85-1.2(a)(3) of this Subpart;  
(ii) property boundaries, fences, walls and hedgerows to be crossed; and  
(iii) any dwelling within 150 feet;  
(3) a statement explaining the need for the line, including:  
(i) a demonstration that a market{12} (or specific purchaser) for the  
gas will exist;  
(ii) where the applicant will serve retail customers, a demonstration  
that gas supplies will be adequate to serve existing and potential  
consumers during the first 10 years of the line’s operation; and  
(iii) a showing (if well-drilling is not contemplated in conjunction  
with the line) of the improvements in system reliability, capability,  
safety or benefits offered by the line; and  
(4) any other information the applicant considers relevant.  
(b) The applicant shall file and serve the application, in accordance  
with the requirements of ñ 3.5 of this Title and serve one copy each on:  
(1) the central office and the appropriate regional offices of:  
(i) the Department of Environmental Conservation;{13} and  
(ii) the Department of Transportation;{13}  
(2) the Commissioner of Agriculture and Markets;  
(3) the State Archaeologist;  
(4) the State Historic Preservation Officer;  
(5) any other State agency which has authority to administer and  
enforce compliance with any legal provision listed in response to the  
requirement of subparagraph (a)(1)(ii) of this section; and  
(6) the chief executive officer of every municipality in which any  
portion of the line is to be located.{14}  
(c) Proof of service shall accompany the application.  

{12} Where such a demonstration is made in another proceeding, either  
before this Commission or the Federal Energy Regulatory Commission,  
that demonstration may be supplied.  
{13} Before serving copies, the applicant should contact the appropriate  
regional office to obtain the name and address of the official who  
should be serviced.  
{14} Provision of additional copies directly to county and town  
planners, and county, town, city or village highway  
superintendents, will expedite the certification process.  

SO DOC 16A-85-1.4                               NYCRR  
EXPLANATION: Matter in braces {} is superscript  
85-1.4 Determination of line length and system configuration. (a) In  
calculating the length of a line to determine whether an application or  
NOI should be filed:  
(1) the length of a well line shall be measured from the trap or  
separator at the well to the point at which the gas being transported  
from the well commingles with other gas; and  
(2) the length of any other line shall be measured from the point at  
which gas leaves one pipeline to the point at which it enters another  
pipeline.  
(b) Any NOI or application shall include every line then planned for a  
proposed system. A system includes all lines tying into a common point  
leading to market, which is usually a meter site, but may be a regulator  
station or compressor site. The type of document submitted will be
determined by the length of the longest line included.{15}

(15) FOOTNOTE: The document filed should include a map showing all lines anticipated to be part of a given system, even though not proposed for construction at the time of the current filing.

SO DOC 16A-85-1.5

85-1.5 Determination of noncompliance. If any NOI or application filed pursuant to section 85-1.2 or 85-1.3 of this Subpart fails to comply in whole or in part with the applicable provisions of the Public Service Law and these regulations, the commission or its designee will, within 14 days of receipt, advise the applicant of the noncompliance and how to comply.

SO DOC 16A-85-1.6

85-1.6 Review of notices of intention. (a) Upon receipt of any NOI that complies with section 85-1.2 of this Subpart and which does not contain a request that it be reviewed under section 85-1.7 of this Subpart, the commission will determine, within 30 days of filing, whether there is a substantial public interest which requires the line(s) to be reviewed under section 85-1.7.

(b) If the commission determines that review under section 86-1.7 of this Subpart is not required, it will certify the proposed line. Failure to act within 30 days will constitute a certificate.

(c) If the commission determines that review of any line(s) is required under section 85-1.7 of this Subpart, it will conduct such review, serving copies of the NOI on other appropriate persons.

(d) If any NOI complies with section 85-1.2 of this Subpart, and contains a request that it be reviewed under section 85-1.7 of this Subpart, a substantial public interest will be deemed to exist and the commission will review the line under section 85-1.7.

SO DOC 16A-85-1.7

85-1.7 Review of applications. (a) Any person may file comments with the commission on any application. The record of the certification proceeding may be limited to the application, any comments thereon filed within 15 days of the date of service thereof, and any report by the staff of the Department of Public Service.

(b) The parties to the certification proceeding shall include the applicant and all persons served with a copy of the application or NOI reviewed under this section.

SUBPART 85-2

Procedures With Respect To All Electric Transmission Lines And Fuel Gas Transmission Lines 10 Or More Miles Long
(Statutory authority: Public Service Law, sections 4(1), 20(1) and 122(5)(b)
85-2.9 Filing and content of applications for electric transmission facilities in national interest electric transmission corridors
85-2.10 Notice of application
85-2.11 Participation and intervention
85-2.12 Service of documents
85-2.13 Consideration of issues
85-2.14 Grouping of parties
85-2.15 Dismissal of an application
85-2.16 Noncontested proceedings

Section 85-2.1 Definitions.
As used in this Subchapter, other than in Subpart 85-1:
(a) The term municipality means a county, city, town or village in this State.
(b) The term secretary means the Secretary to the Public Service Commission.
(c) The term person means any individual, corporation, public benefit corporation, political subdivision, governmental agency, municipality, partnership, cooperative association, trust or estate.
(d) The term certificate means a certificate of environmental compatibility and public need.
(e) The term facility or transmission facility means:
   (1) an electric transmission facility (including associated equipment) with a design capacity of:
      (i) 125 kilovolts or more, to extend a distance of one mile or more; or
      (ii) 100 kilovolts or more, but less than 125 kilovolts, to extend a distance of 10 miles or more; or
   (2) a fuel gas transmission line extending a distance of 1,000 feet or more, to be used to transport fuel gas at pressures of 125 pounds per square inch or more, excluding appurtenant facilities.
   The term facility or transmission facility does not include any electric transmission line located wholly underground in a city with a population in excess of 125,000, or a primary transmission line (as such term is used in the Federal Power Act (16 U.S.C. 791--a-828c)) approved by the Federal Energy Regulatory Commission in connection with a hydroelectric facility or any fuel gas transmission line that is located wholly underground in a city or wholly within the right-of-way of a state, county or town highway or village street (as those terms are defined in article 1 of the Highway Law and article 6 of the Village Law), or that replaces an existing transmission line, including appurtenant facilities, and extends a distance of less than one mile.
   (f) The term application means the application form required by section 85-2.8 of this Subpart.
   (g) The term appurtenant facilities means installations (excluding gas compressors) that are merely auxiliary or appurtenant to a fuel gas transmission line, such as: valves; drips; measuring and regulating equipment; yard and station piping; cathodic protection equipment; gas cleaning, cooling and dehydration equipment; residual refining equipment; water pumping, treatment and cooling equipment; electrical and communication equipment; and buildings.

85-2.2 Materials required for filing.
(a) A filing for a certificate shall contain:
(1) the application;
(2) the exhibits and information required by statute and these regulations;
(3) the testimony, in written form, and exhibits which will comprise the applicant's direct case in support of its application; and
(4) any additional information which the applicant deems necessary or desirable.

(b) At the time the applicant presents its filing to the Secretary, the applicant shall submit in accordance with the requirements of § 3.5 of this Title. The commission or its staff may request additional copies of the filing at any time.

85-2.3 Acceptance, amendment or rejection of a filing.

(a) A filing shall be given a case number for tracking purposes when received by the secretary. The commission shall fix a date for commencing a public hearing:
(1) on a filing with respect to an electric transmission facility, not less than 60 nor more than 90 days after it complies with section 122 of the Public Service Law; and
(2) on a filing with respect to a gas transmission facility 10 or more miles long, not less than 20 nor more than 60 days after it complies with section 122 of the Public Service Law.

(b) Acceptance of a filing by the secretary shall not constitute a waiver of any failure to comply with the requirements of these regulations. The commission may, at any time, reject all or any part of a filing that does not conform to the requirements of these regulations.

(c) If all of the information required by these regulations is not available at the time of the filing, the applicant may petition the commission for permission to submit the unavailable information at a specified future date. Such date shall be before the date upon which the hearing is concluded. The commission may grant such a petition in whole or in part, or it may defer the matter, in whole or in part, for decision by the presiding officer.

85-2.4 Fund for municipal and other parties.

(a) Each application that proposes an electric transmission facility of 125kV or more shall, at the time it is provided to the Secretary, be accompanied by a fee in the amount specified herein:
(1) if the proposed route for the facility is greater than 100.0 miles in length, $450,000;
(2) if the proposed route for the facility is greater than 50.0 and up to 100.0 miles in length, $350,000;
(3) if the proposed route for the facility would require a new right-of-way for 10.0% or more of its length and is from 10.0 to 50.0 miles long, $100,000; and
(4) if the proposed route for the facility would use an existing right-of-way for more than 90.0% of its length and is from 10.0 to 50.0 miles long, $50,000.

(b) Any municipality or other party (except an applicant) may request funds to defray expenses for expert witness, consultant, administrative and legal fees (other than in connection with judicial review). Requests for funds shall be submitted to the presiding officer not later than 15 days after the issuance of a notice of the initial prehearing
conference, unless otherwise specified by the presiding officer.

(c) Subject to the availability of funds, the presiding officer may fix additional dates for submission of fund requests.

(d) Each request for funds shall be submitted to the presiding officer, with copies to the other parties to the proceeding, and contain:

1. a statement of the number of persons and the nature of the interests the requesting party represents;
2. a statement of the availability of funds from the resources of the requesting party and from other sources and of the efforts that have been made to obtain such funds;
3. if the requesting party represents owners or occupants of real property, the location of such real property in relation to the route proposed for the facility and any alternative route specified as reasonable in the application;
4. the amount of funds being sought;
5. to the extent possible, the name and qualifications of each expert to be employed;
6. if known, the name of any other party who may, or is intending to, employ such expert;
7. a detailed statement of the services to be provided by expert witnesses, consultants or others (and the basis for the fees requested), specifying how such services will contribute to a complete record leading to an informed decision as to the appropriateness of the facility and route;
8. a statement as to the result of any effort made to encourage the applicant to perform any proposed studies or evaluations and the reason it is believed that an independent study is necessary; and
9. a copy of any contract or agreement or proposed contract or agreement with each expert witness, consultant or other person.

(e) At any conference held to consider fund requests, the presiding officer shall discuss the award of funds and encourage the consolidation of requests.

(f) Not later than 15 days after the close of the initial prehearing conference, the presiding officer shall make an initial award of funds, and from time to time thereafter may make additional awards of funds, in relation to the potential for such awards to make a contribution to a complete record leading to an informed decision as to the appropriateness of the facility and route.

(g) If after its filing the application is amended in a manner that warrants substantial additional scrutiny, the Commission may require the applicant to pay an additional intervenor fee in an amount not to exceed $125,000, and the presiding officer may make additional awards of funds, in relation to the potential for such awards to make a contribution to a complete record leading to an informed decision as to the appropriateness of the facility and route.

(h) The presiding officer shall ultimately award, on an equitable basis, at least 50% of the funds to municipalities and up to 50% to other parties whose requests comply with the provisions of subdivisions (b) and (d) of this section, so long as the funds will contribute to a complete record leading to an informed decision as to the appropriateness of the transmission facility and route and facilitate broad public participation in the proceeding.

(i) The fee submitted with each application, as well as any fee
required to be submitted when an application is amended, shall be deposited in an intervenor account, established pursuant to Section 97-tt of the State Finance Law.

(j) On a quarterly basis, unless otherwise required by the presiding officer, any municipality or other party receiving an award of funds shall:

(1) provide an accounting of the monies that have been spent; and
(2) submit a report to the presiding officer showing:
   (i) the results of any studies conducted using such funds;
   (ii) whether the purpose for which the funds were awarded has been achieved;
   (iii) if the purpose for which the funds were awarded has not been achieved, whether reasonable progress toward the goal for which the funds were awarded is being achieved and why further expenditures are warranted.

(k) Where it appears warranted, the presiding officer may incorporate the reports referred to in subdivision (j) of this section into the hearing record as public statements.

(l) Disbursements from the intervenor account to municipal and other parties shall be made by the Department of Public Service upon audit and warrant of the Comptroller of the State on vouchers approved by the Chairman or a designee. Before any funds may be disbursed to a municipality or other party, such party must enter into a local assistance contract with the Department of Public Service. Vouchers prepared pursuant to such local assistance contract must be submitted for payment not later than six months after any withdrawal of an application or the Commission's final decision on an application (including a decision on rehearing, if applicable). Any funds that have not been disbursed shall be returned to the applicant after the Commission's final decision on an application (including any decision on rehearing or on remand following a court order, if applicable) has been made. If an application has been withdrawn, any funds remaining shall be returned within a reasonable time.

85-2.5 Additional information.

(a) Upon request of the commission or the presiding officer, the applicant shall submit such additional information as may be specified.

(b) Upon the motion of any party or of staff counsel, or upon its own motion, the commission may order an applicant to provide such additional information as the commission deems necessary or desirable. A motion to the commission under this subdivision shall clearly state the additional information sought and the reasons such information is necessary or desirable.

(c) The commission may, upon the motion of any party or of staff counsel, or upon its own motion, dismiss the filing of an applicant who fails to comply with an order to supply additional information.

(d) When a filing is set for hearing, any motion for additional information shall be addressed to the presiding officer.

85-2.6 Consultation with staff. Applicants, other parties, and all interested groups and persons are invited and encouraged to confer on an informal basis with the staff of the commission with respect to any matter related to a filing or proposed filing. Except as expressly provided to the contrary, neither an applicant, other party, interested
group or person, nor the commission staff, shall be bound by any statement made during the course of such informal consultation. The commission shall not be bound without its consent.

85-2.7 Incorporation by reference.

Any party or staff counsel may move to incorporate by reference information contained in any filing with this commission, or contained in any other public document. When incorporating by reference, a party or staff counsel shall clearly identify the material to be incorporated. A party shall supply to the commission, upon request, additional copies of any material incorporated by reference.

85-2.8 Content of application. An application for a certificate shall contain:

(a) a description of the proposed facility;
(b) a statement of the location of the proposed site or right-of-way;
(c) a summary and description of any studies which have been made of the environmental impact of the proposed project;
(d) a statement explaining the need for the proposed facility;
(e) a description of any reasonable alternate locations or routes for the proposed facility, including a description of the comparative merits and detriments of each location or route and a statement explaining why the primary location or route is best suited for the proposed facility; and
(f) such other information as the applicant deems necessary or desirable.

85-2.9 Filing and content of applications for electric transmission facilities in national interest electric transmission corridors.

An application seeking approval of an electric transmission facility in a national interest electric transmission corridor as designated by the Secretary of the U.S. Department of Energy pursuant to section 216 of the Federal Power Act (16 U.S.C. section 824p) is considered filed on a date set forth in a letter to the applicant from the secretary, namely, the date of receipt of the application and any supplemental information necessary to bring it into compliance with all the following requirements, except any such requirements where the commission has granted permission to submit unavailable information at a future specified date pursuant to section 85-2.3(c) of this Subpart or which the commission has waived pursuant to section 85-3.3 of this Title:

(a) section 122 of the Public Service Law;
(b) sections 85-2.2 and 85-2.8 of this Subpart;
(c) Part 86 of this Subchapter, except that an application for the overhead portion of a transmission facility need not contain the information required by:

(1) section 86.3(a)(1)(i) of this Title, so long as recent edition topographic maps (at a scale of 1:24,000) for an area of at least five miles on either side of the proposed centerline are included in Exhibit 2 of this application;
(2) section 86.3(a)(1)(iii) of this Title, as long as Exhibit 2 maps show any known geologic, historic or scenic area, park, or untouched wilderness within three miles on either side of the proposed centerline;
(3) section 86.3(a)(2)(i)-(iv) of this Title, so long as Exhibit 2 maps show the relationship of the proposed facility to interconnected
(4) section 86.3(b) of this Title, so long as all Exhibit 2 aerial photographs reflect the current situation and specify the source and date of the photography; and

(5) section 86.4(b) of this Title, so long as recent edition topographic maps (at a scale of 1:24,000) are included in Exhibit 3 of the application and indicate any alternative route considered;

(d) Part 86 of this Subchapter, except that an application for the underground portion of a transmission facility need not contain the information required by:

(1) section 86.3(a)(1)(i) of this Title, so long as recent edition topographic maps (at a scale of 1:24,000) for an area of at least one mile on either side of the proposed centerline area included in Exhibit 2 of this application;

(2) section 86.3(a)(1)(iii) of this Title, so long as Exhibit 2 maps show any known geologic, historic or scenic area, park, or untouched wilderness within one mile on either side of the proposed centerline;

(3) section 86.3(a)(2)(i)-(iv) of this Title, so long as Exhibit 2 maps show the relationship of the proposed facility to interconnected electric systems;

(4) section 86.3(b)(2) of this Title, so long as all Exhibit 2 aerial photographs reflect the current situation and specify the source and date of the photography; and

(5) section 86.4(b) of this Title, so long as recent edition topographic maps (at a scale of 1:24,000) are included in Exhibit 3 of the application and indicate any alternative route considered;

(e) Part 86 of this Subchapter, except that an application for the submarine portion of a transmission facility need not contain the information required by:

(1) section 86.3(a)(1)(i) of this Title, so long as recent edition nautical charts (published by the U.S. Department of Commerce, National Oceanic and Atmospheric Administration) depicting the location of the proposed facility are included in Exhibit 2 of this application;

(2) section 86.3(a)(1)(iii) of this Title, so long as Exhibit 2 nautical charts show any known historic resource within one mile on either side of the proposed centerline;

(3) section 86.3(a)(2)(i)-(iv) of this Title, so long as Exhibit 2 maps show the relationship of the proposed facility to interconnected electric systems;

(4) section 86.3(b)(2) of this Title; and

(5) section 86.4(b) of this Title, so long as recent edition nautical charts are included in Exhibit 3 of the application and indicate any alternative route considered;

(f) Part 86 of this Subchapter, except that an application containing a certified statement that the transmission facility discussed therein will not be proposed for inclusion in utility rate base (either directly or indirectly through a contractual arrangement with a regulated utility) need not contain the information required by section 86.10 of this title; provided, however, that if a regulated rate is sought after the filing of the application, the applicant shall provide the information required by that section; and provided further that, if an applicant raises the issue of the cost of a particular alternative as a disadvantage, it shall provide sufficient cost information to enable a comparison to be made between the proposed facility and such
alternative; and
(g) Part 88 of this Subchapter.

85-2.10 Notice of application.
(a) A filing shall be accompanied by proof of service of a copy of the filing on:

(1) each municipality in which any portion of the facility is to be located, both as primarily and alternatively proposed;
(2) the Commissioner of Environmental Conservation;
(3) the Commissioner of Economic Development;
(4) the Commissioner of Agriculture and Markets;
(5) the Secretary of State;
(6) each member of the New York State Legislature through whose district any part of the facility, as primarily or alternatively proposed, would pass;
(7) the Commission of Parks, Recreation and Historic Preservation;
(8) in the event any portion of the proposed facility is located within its jurisdiction, the St. Lawrence - Eastern Ontario Commission; and
(9) in the event any portion of the proposed facility is located within its geographical jurisdiction, the Department of Transportation, the Adirondack Park Agency, and any other State agency having authority over the location of any portion of the proposed facility.

(b) Service upon a municipality under paragraph (a)(1) of this section shall be addressed to the chief executive officer of the municipality and shall specify the date on or about which the filing is to be made.
(c) A filing shall be accompanied by a statement of the notice of the filing given to persons residing in municipalities on whom a copy of the filing is required to be served under paragraph (a)(1) of this section. An applicant shall, as minimum notice under this subdivision, publish once a week for two consecutive weeks prior to the filing, in a newspaper or newspapers of general circulation in all the areas through which the facility would pass, both as primarily and alternatively proposed:

(1) a brief description of the proposed facility;
(2) the location of the proposed right-of-way; and
(3) the date on or about which the filing will be made.
(d) The presiding officer shall serve the applicant with a list of those persons who, in addition to those listed in subdivision (a) of this section, have become parties to the proceeding as provided in section 85-2.11(b)(2) of this Subpart. The applicant shall, within 10 days of the date of service of said list, serve a copy of the filing on each such person, and file proof of service thereof with the secretary.

85-2.11 Participation and intervention.
(a) The parties to a certification proceeding shall include the applicant and such of the following as make timely application for participation:
(1) the Department of Environmental Conservation;
(2) the Department of Economic Development;
(3) the Department of State;
(4) the Department of Agriculture and Markets;
(5) the Office of Parks, Recreation and Historic Preservation;
(6) where any portion of the facility or of any alternative is to be
located within its jurisdiction, the Tug Hill Commission;
(7) where any portion of the facility or of any alternative, is to be located within the Adirondack Park, as defined in section 9-0101(1) of the Environmental Conservation Law, the Adirondack Park Agency;
(8) the Department of Transportation;
(9) any municipality entitled to receive notice under section 85-2.10(a)(1) of this Subpart;
(10) any individual resident in a municipality entitled to receive notice under section 85-2.10(a)(1) of this Subpart; and
(11) any domestic nonprofit corporation or association, formed in whole or in part:
   (i) to promote conservation or natural beauty;
   (ii) to protect the environment, personal health or other biological values;
   (iii) to preserve historic sites;
   (iv) to promote consumer interests;
   (v) to represent the interests of commercial and industrial groups; or
   (vi) to promote the orderly development of the areas in which the facility is proposed to be located.

(b)(1) A person or organization listed in paragraphs (a)(1)-(8) of this section may participate in a certification proceeding by filing with the secretary a notice of intent to be a party at least five days prior to the date of the first scheduled hearing in the proceeding.

(2) A person or organization listed in paragraphs (a)(9)-(11) of this section may participate in a certification proceeding by filing with the secretary a notice of intent to be a party within 30 days after the date given in the published notice as the date for filing of the application.

(c) (1) In its notice of intent to be a party, a person or organization listed in subdivision (a) of this section should state its name, address, telephone number, teletypewriter machine number, e-mail address, the name of its attorney or qualified representative upon whom service should be made, and the basis upon which it claims to be a party.

(2) Requests for permission to intervene in a certification proceeding made by persons or organizations not listed in subdivision (a) of this section should contain the information specified in paragraph (1) of this subdivision, as well as an explanation of how such intervention would be likely to contribute to the development of a complete record or why it would otherwise be fair and in the public interest. Such requests shall be governed by the provisions of section 4.3(c) of this Title.

(d) (1) Any person or organization may petition the commission to intervene in a certification proceeding within the time specified in paragraph (b) (2) of this section, and may be allowed by the hearing examiner to participate in the proceedings if such person or organization has an interest in the proceedings, or if his participation would contribute to the appropriate resolution of the proceeding. That petition should state the name, address, telephone number, the name of the attorney or qualified representative upon whom service should be made, and the interest of the intervenor in the proceeding, and the reason for intervention. A petition for intervention shall be served upon all parties specified in paragraphs (a) (1)-(7) of this section, the executive secretary and staff counsel.

(2) Any party to the proceeding, or staff counsel, may file an answer to a petition to intervene within 10 days after the date of service of
the petition. Any objection to intervention may also be made to the examiner at the first hearing. Replies to such objections may be filed with the executive secretary only if the commission so requests, or if requested or allowed by the hearing examiner.

(e) Any person who fails to comply with subdivision (b) of this section may petition for late intervention. If the hearing examiner has not issued his proposed report, such petitions shall be addressed to him. Denial of a petition for late intervention may be appealed within 10 days to the commission. After service of the hearing examiner's report, such petitions shall be addressed to the commission.

(f) The commission or hearing examiner may condition the granting of a petition for intervention or late intervention upon such terms as are just and necessary.

85-2.12 Service of documents.

(a) The service of documents upon parties in a certification proceeding shall be governed by section 4.3(b)(2) of this Title.

(b) Unless a party otherwise requests, the names and addresses of parties shall be placed on the secretary's service list.

(c) Briefs to the hearing examiner, unless he rules otherwise, shall be served on all parties, and briefs addressed to the commission shall be served on all parties. Unless the hearing examiner rules otherwise, other pleadings and documents shall be served only on parties directly affected or requesting them as provided in subdivision (a) of this section.

(d) Any party or staff counsel may, by motion to the hearing examiner, challenge the need of any party for all filings in the proceeding. An adverse ruling by the hearing examiner may be appealed to the commission within 10 days. Pending the determination of such appeal, the party whose need for all filings is contested shall receive all filings.

85-2.13 Consideration of issues.

Upon the motion of any party or of staff counsel, or upon its own motion, the commission may provide that any issue or issues raised by a filing be severed from other issues and decided separately. When an application has been set for hearing, such motion shall be addressed to the presiding officer.

85-2.14 Consolidation of the presentations of parties.

(a) The consolidation of the presentations of parties with similar interests shall be governed by section 4.3(b)(3) of this Title; provided, however, that the presiding officer may not require the consolidation of the representation of governmental bodies or agencies.

85-2.15 Dismissal of an application.

Whenever it shall appear that the statutory requirements for a certificate cannot be met, the commission may dismiss the application and terminate the proceedings upon the motion of any party or staff counsel, or upon its own motion.

85-2.16 Noncontested proceedings.

(a)(1) Upon the motion of any applicant, the commission may, where it appears to be in the public interest, order that the public hearing required by section 123 of the Public Service Law on an application for
a certificate for an underground transmission facility or for an overhead transmission facility to be constructed on substantially the same right-of-way as an existing facility that is to be replaced be held before the commission on the application, exhibits, prepared testimony, and any other information filed by the applicant and any prepared testimony, information, or papers filed by any party or staff counsel, without oral testimony.

(2) A motion by an applicant for an expedited proceeding under paragraph (1) of this subdivision, shall be made at the time it files its application for a certificate or within 20 days thereafter. The applicant shall serve a copy of the motion for an expedited proceeding and the public notice required by paragraph (3) of this subdivision on each person or municipality entitled to service of a copy of the filing under section 85-2.10 of this Subpart.

(3) Not less than 30 nor more than 40 days after the date on which it files its application for a certificate, an applicant moving under paragraph (1) of this subdivision shall publish in a newspaper or newspapers of general circulation, in all the areas traversed by the proposed facility, a notice:

(i) briefly describing the proposed facility and the location of the proposed right-of-way;

(ii) stating that the applicant has moved that the public hearing required by section 123 of the Public Service Law be held before the commission on the basis of application, exhibits, prepared testimony, and any other information filed by any party or staff counsel, and that oral testimony not be taken; and

(iii) stating that any person opposed to the granting of the certificate should, within 10 days of the date of the publication of the notice, notify in writing the Secretary to the Public Service Commission at Three Empire State Plaza, Albany, NY 12223-1350, of the reasons for opposition.

(4) An applicant moving under paragraph (1) of this subdivision shall file any written consent required under paragraph (b)(3) of this section within 45 days of the date on which the applicant filed its application for a certificate. An applicant who fails to comply with this requirement shall be deemed to have withdrawn its motion for an expedited proceeding.

(b) The commission may grant a motion made under subdivision (a) of this section if:

(1) the applicant has served a copy of its motion and the public notice required upon each person, municipality and agency entitled to service under section 85-2.10(a) of this Subpart;

(2) no person, municipality or agency has filed with the executive secretary, within 10 days of the date of publication of the newspaper notice required by paragraph (a)(3) of this section, a written objection stating substantive reasons for opposition to the granting of such a motion; and

(3) no person or domestic nonprofit corporation or association entitled to become a party to the proceeding, under paragraphs (a)(10)-(11) of section 85-2.11 of this Subpart, has made timely application for participation, or, in the event one or more such persons, corporations or associations has been granted participation, each such person, corporation or association has consented in writing to the granting of the applicant's motion.
(c) If, at the hearing provided by subdivision (a) of this section, the commission finds that there is a substantive basis for opposition to the granting of the certificate, it shall order that the matter be set for further hearings in accordance with this Subart.

PART 86
GENERAL EXHIBITS
(Statutory authority: Public Service Law, art. VII)

Sec.
86.1 General requirements
86.2 Exhibit 1: general information regarding application
86.3 Exhibit 2: location of facilities
86.4 Exhibit 3: alternatives
86.5 Exhibit 4: environmental impact
86.6 Exhibit 5: design drawings
86.7 Exhibit 6: economic effects of proposed facility
86.8 Exhibit 7: local ordinances
86.9 Exhibit 8: other pending filings
86.10 Exhibit 9: cost of proposed facility

Section 86.1 General requirements. Each exhibit shall contain:
(a) a title page showing:
(1) the applicant's name;
(2) the title of the exhibit; and
(3) the proper designation of the exhibit; and
(b) if consisting of 10 or more pages, a table of contents citing, by page and section number or subdivision, the component elements or matters contained in the exhibit.

86.2 Exhibit 1: general information regarding application.
(a) A corporate applicant shall state:
(1) name;
(2) address;
(3) telephone number; and
(4) the name and business address of the principal officer of the applicant.

(b) A noncorporate applicant shall provide information similar or equivalent to the information required of a corporate applicant under subdivision (a) of this section.

(c) If the applicant desires service of a document or other correspondence upon an agent, Exhibit I shall so state, giving the name, address and telephone number of the agent for service.

86.3 Exhibit 2: location of facilities.
(a) The applicant shall submit detailed maps, drawings and explanations showing the right-of-way for each proposed facility. Such maps, drawings and explanations shall include:
(1) New York State Department of Transportation maps (1:24,000 topographic edition), showing:
   (i) the proposed right-of-way (with control points indicated), covering an area of at least five miles on either side of the proposed facility location;
   (ii) where the construction or reconstruction of the proposed facility would necessitate permanent clearing or other changes to the topography,
vegetation or man-made structures.

(iii) any known archaeologic, geologic, historical or scenic area, park or untouched wilderness on or within three miles of the right-of-way;

(2) New York State Department of Transportation maps (scale 1:250,000) showing the relationship of the proposed facility to the applicant's overall system with respect to:
   (i) the location, length and capacity of the proposed facility, and of any existing facility related to the proposed facility;
   (ii) the location and function of any structure to be built on, or adjacent to, the right-of-way;
   (iii) the location and designation of each point of connection between an existing and proposed facility; and
   (iv) nearby, crossing or connecting rights-of-way or facilities of other utilities.

(b)(1) The applicant shall submit black-and-white or color aerial photographs of such coverage to show at least 1,200 feet on each side of the proposed right-of-way, and of such scale and detail to enable discrimination and identification of all natural and cultural features. Such aerial photographs shall include overlays:
   (i) clearly identifying the proposed right-of-way;
   (ii) showing where the construction of the proposed facility would necessitate permanent clearing or other changes to the topography, vegetation or man-made structures;
   (iii) showing the location of access and maintenance routes; and
   (iv) showing the location of the facility on the right-of-way.

(2) Aerial photographs shall reflect the current situation. Aerial photographs of urban areas and urbanizing fringe areas shall be taken within six months of the date of filing. All aerial photographs shall indicate by whom and on what date the photographs were taken.
areas;
(ii) that any right-of-way will be routed to minimize its visibility from areas of public view;
(iii) that any right-of-way has been planned to avoid heavily timbered areas, high points, ridge lines and steep slopes; and
(iv) that the selection of any proposed right-of-way preserves the natural landscape and minimizes conflict with any present or future planned land use;
(3) what, if any, plans have been formulated to keep any right-of-way clearing to the minimum width necessary to prevent interference of vegetation with the proposed facility;
(4) what, if any, schedule or method of clearing the right-of-way has been formulated to take into account soil stability, protection of natural vegetation, and the protection of adjacent resources (including the protection of any natural habitat for wildlife);
(5) what, if any, plans have been made to protect vegetation and topsoil not cleared, from damage from construction and operation of the facility;
(6) what, if any, provision has been made to protect fish and other aquatic life from harm from the use of explosives or pollutants in or near streams and other bodies of water;
(7) what, if any, pesticide or herbicide will be used in construction or maintenance of the proposed facility (including the volumes and manner of use);
(8) what, if any, plans have been made to locate and design appurtenant structures to minimize the environmental impact of the structures (including visual and noise disturbance); and
(9) what, if any, provisions have been made for cleanup and restoration of the project area after construction.
(c)(1) If any portion of the proposed facility is to be constructed underground, the applicant shall state what, if any, provisions have been made to avoid clearance of the entire right-of-way. If the clearance proposed will go to the mineral soil, the applicant shall state:
(i) the width of the clearance;
(ii) what, if any, provisions have been made for the replacement of topsoil removal during construction;
(iii) what, if any, provisions have been made for removing excess soil excavated during construction; and
(iv) what, if any, plans have been made for stabilizing the cleared area with vegetation and erosion control devices.
(2) If any underground portion of the proposed facility will be constructed in or adjacent to a stream or other body of water, the applicant shall state:
(i) what, if any, plans have been made to prevent erosion of the banks;
(ii) what, if any, techniques (such as cofferdams) will be used; and
(iii) what, if any, plans have been made to use the water from such streams or other bodies of water for pipe-testing or other purposes (including volumes of water involved and methods for release of water once used).
.SD DOC 16A-86.6 NYCRR
86.6 Exhibit 5: design drawings. The applicant shall submit design, profile and architectural drawings and descriptions of the proposed
facility. Such drawings and descriptions shall include:
(a) the length, width and height of any structure;
(b) the material of construction, color and finish; and
(c) a profile of the centerline of the right-of-way at exaggerated vertical scale.

86.7 Exhibit 6: economic effects of proposed facility. The applicant shall submit a statement describing any anticipated effects the construction or operation of the proposed facility may induce in the residential, commercial or industrial land-use patterns of any area adjacent to any portion of the proposed facility.

86.8 Exhibit 7: local ordinances.
(a) The applicant shall submit a list of all local ordinances, laws, resolutions, regulations, standards, and other requirements applicable to the proposed facility, together with a statement that the location of the facility as proposed conforms to all such local legal provisions, except any that the applicant requests that the commission refuse to apply because, as applied to the proposed facility, such local legal provision is unreasonably restrictive in view of the existing technology, factors of costs or economics, or the needs of consumers whether located inside or outside any particular municipality. If the applicant desires the commission to refuse to apply one or more local legal provisions, it shall submit a statement justifying the request.
(b) The statement of justification shall show that the request cannot be obviated by design changes to the proposed facility, the request is the minimum necessary, and the adverse impacts of granting the request are mitigated to the maximum extent practicable. The statement shall include a demonstration:
(1) for requests grounded in the existing technology, that there are technological limitations (including governmentally imposed technological limitations) related to necessary facility component bulk, layout, process or materials that make compliance by the applicant technically impossible, impracticable or otherwise unreasonable;
(2) for requests grounded in factors of costs or economics (likely involving economic modeling), that the costs to consumers associated with applying the local legal provision outweigh the benefits of applying such provision; and
(3) for requests grounded in the needs of consumers, that the needs of consumers for the facility outweigh the impacts on the community that would result from refusal to apply the local legal provision.

86.9 Exhibit 8: other pending filings. The applicant shall state whether it has pending, or knows of others who have pending, with this commission or with any other governmental department or agency (State or Federal), an application or filing which concerns the subject matter of the proceeding before the commission. If one or more such applications or filings is pending, the applicant shall state, for each application or filing pending, whether the granting of any such other application or filing will have any effect on the grant or denial of a certificate, and whether the granting of a certificate will have any effect upon the grant or denial of any such other application or filing.

86.10 Exhibit 9: cost of proposed facility. (a) The applicant shall
provide a detailed estimate of the total capital costs of the proposed facilities covered by the application. The estimate shall show the estimated cost of:

(1) right-of-way;
(2) surveys;
(3) materials;
(4) labor;
(5) engineering and inspection;
(6) administrative overhead;
(7) fees for legal and other services;
(8) interest during construction; and
(9) contingencies.

(b)(1) The applicant shall include a brief statement of the source of the information used as the basis for the estimates required by subdivision (a) of this section.

(2) If not stated elsewhere, the applicant shall include data on preliminary bids, if any, for the proposed facilities, and recent experience cost data for similar facilities.

(c) Upon the demand of any party or of staff counsel, the applicant shall supply the work papers from which the estimates required by subdivision (a) of this section were made.

PART 87
EXHIBITS FOR GAS TRANSMISSION
Lines 10 or More Miles Long
(Statutory authority: Public Service Law, art. VII)

Sec.
87.1 Exhibit G-1: total gas supply
87.2 Exhibit G-2: market data
87.3 Exhibit G-3: revenues; expenses; income
87.4 Exhibit G-4: construction of the facility

Section 87.1 Exhibit G-1: total gas supply. The applicant shall submit a statement of the total maximum daily and annual volumes of gas committed to it by contract and the maximum daily and annual volumes of gas available to it from its own peak shaving or local sources.

87.2 Exhibit G-2: market data. (a) The applicant shall provide:
(1) an estimate of the increased volumes of gas to be delivered by operation of the proposed pipeline;
(2) an estimate of the volumes of gas delivered to the markets to be generally served by the new pipeline during the three years immediately preceding the filing;
(3) total annual and peak day gas requirements by each classification of service listed in paragraph (4) of this subdivision;
(4) information about total past and expected future curtailment of service by the applicant for each of the following classifications of service:
   (i) residential;
   (ii) commercial;
   (iii) firm industrial;
   (iv) interruptible industrial;
   (v) residential space heating;
   (vi) commercial space heating; and
(vii) other types of customers; and
(5) the basic factors used in estimated future requirements and the need for the new facilities, including:
   (i) peak-day and annual degree-day deficiencies; and
   (ii) peak-day and annual consumption factors for each class of consumers, with supporting historical data for each major operating district.

(b) The applicant shall supply a copy of each market survey made within the past three years for those markets which are to receive new or increased service from the proposed pipeline.

(c) The applicant shall state the franchise rights of the applicant or other persons to distribute gas in each community in which service is proposed.

.SO DOC 16A-87.3                                 NYCRR
87.3 Exhibit G-3: revenues; expenses; income.

(a) When the estimated revenues and expenses related to a proposed facility will significantly affect the operating revenues or operating expenses of an applicant, the applicant shall submit:
   (1) the system-wide statement for the last year preceding the filing; and
   (2) a pro forma system-wide and pro forma incremental statement for each of the first three full years of operation of the proposed facility, showing:
      (i) annual revenues and volumes of natural gas, subdivided by classes of service and further subdivided by sales to direct industrial customers, sales to other gas utilities and other sales;
      (ii) annual operating expenses, classified in accordance with the commission's Uniform System of Accounts; and
      (iii) the annual depreciation, depletion, amortization taxes, utility income, and resulting rate of return on net investment and gas plant, including working capital.

(b) When the information required by subdivision (a) of this section is not submitted, the applicant shall provide a statement in sufficient detail to show clearly the effect of the proposed facility upon operating revenues and operating expenses, together with an explanation of why the information in subdivision (a) should not be provided.

.SO DOC 16A-87.4                                 NYCRR
87.4 Exhibit G-4: construction of the facility. (a) The applicant shall submit a flow diagram showing daily design capacity reflecting operating conditions with only existing facilities in operation, and a flow diagram showing daily design capacity and reflecting operating conditions with both proposed and existing facilities in operation. For the portion of the system affected, both flow diagrams shall include:
   (1) the diameter (normal outside diameter), wall thickness (normal wall thickness), the length of pipe installed and proposed to be installed, and the diameter and wall thickness of the installed pipe to which the connection is proposed;
   (2) the type and grade of pipe;
   (3) the method of fabrication;
   (4) nominal yield strength and the nominal ultimate strength (psig);
   (5) if used pipe is employed, a description of the inspection and reconditioning procedures;
   (6) the mill test pressure (psig);
   (7) the certified maximum operating pressure (psig);
(8) the calculated hoop stress;
(9) for each proposed new compressor station and existing station:
(i) the size, type and number of compressor units;
(ii) the horsepower installed and proposed to be installed;
(iii) the volume of gas to be used as fuel;
(iv) the suction and discharge pressures; and
(v) the compression ratio; and
(10) the pressure and volumes of gas at:
(i) the main inlet;
(ii) outlet connections;
(iii) each compressor station;
(iv) at each intake and takeoff point at the beginning and terminus of
the existing and proposed facilities; and
(v) the intake and takeoff point of the existing facilities to which
the proposed facilities are connected.
(b) The design of the proposed pipeline must meet applicable Federal
and State standards, including standards set forth in sections
255.10-255.21 of the Gas Utility Regulations and regulations in Chapter
III of this Title. The applicant shall state whether the design of the
proposed pipeline meets such standards and regulations.

PART 88
EXHIBITS FOR ELECTRIC TRANSMISSION FILINGS
(Statutory authority: Public Service Law, art. VII)

Sec.
88.1 Exhibit E-1: description of proposed transmission line
88.2 Exhibit E-2: other facilities
88.3 Exhibit E-3: underground construction
88.4 Exhibit E-4: engineering justification
88.5 Exhibit E-5: effect on communications
88.6 Exhibit E-6: effect on transportation

Section 88.1 Exhibit E-1: description of proposed transmission line.
The applicant shall submit a detailed description of the proposed
transmission line. Such description shall include:
(a) the design voltage and voltage of initial operation;
(b) the type, size, number and materials of conductors;
(c) insulator design;
(d) the length of the transmission line;
(e) the construction materials of the towers; and
(f) the design standards for each type of tower and tower foundation.

88.2 Exhibit E-2: other facilities. (a) The applicant shall explain
the necessity for any proposed switching station or substation, and
shall furnish a description of the equipment to be installed in any such
station.
(b) The applicant shall furnish details of any terminal facility which
is to be a part of the proposed transmission line.

88.3 Exhibit E-3: underground construction. If any portion of the
proposed transmission line is to be built underground, the applicant
shall:
(a) indicate the type of cable system to be used;
(b) provide the design standards for that system;
(c) indicate the number and size of conductors to be used; and
(d) indicate, on a profile of the line:
(1) the depth of the cable; and
(2) the location of oil pumping stations and manholes.

88.4 Exhibit E-4: engineering justification. (a) The applicant shall:
(1) provide the engineering justification for the proposed
transmission line, showing its relation to the existing facilities of
the applicant and the interconnected network;
(2) indicate specific benefits with respect to reliability and economy
to the applicant and the interconnected network;
(3) state the proposed date for completion of the line and indicate
the impact on the systems of the applicant and others of failure to
complete the proposed transmission line on such date; and
(4) provide appropriate system studies, showing expected flows on the
line under normal, peak and emergency conditions, including the system
reliability impact study forwarded by the Transmission Planning Advisory
Subcommittee for approval by the operating committee of the New York
Independent System Operator, which shows effects on stability of the
interconnected system.

88.5 Exhibit E-5: effect on communications. The applicant shall submit
a statement describing the anticipated effects of the proposed line and
related facilities on television, radio and other communications
systems.

88.6 Exhibit E-6: effect on transportation. The applicant shall submit
a statement describing the anticipated effects of the proposed line and
related facilities on airports, railroads and other transportation
systems.

89 Notification Requirements

Sec.
89.1 Public dissemination of tariff filings
89.2 Notice of litigation affecting tariff schedules
89.3 Notification concerning tax refunds

Section 89.1 Public dissemination of tariff filings. Any consumer
organization may apply in writing to any utility company subject to the
jurisdiction of the commission and request that it be served with a
summary of any tariff filings made by such company. Each company shall
keep a roster of such requests and at the time of such tariff filing
shall serve such summary upon the organizations that have made such
written requests.

89.2 Notice of litigation affecting tariff schedules. Every utility
company subject to the jurisdiction of the commission shall promptly
notify the commission of the pendency of any litigation, to which such company is a party, which affects the legality, validity or reasonableness of any provision of its tariff schedule.

89.3 Notification concerning tax refunds. (a) Every utility company, and every municipality whose rates for utility service are subject to the jurisdiction of the commission (utility), shall notify the commission, in the manner described in this section, of all tax refunds, including refunds in the form of offsets against the utility's liability to the taxing authority issuing the refund; and including, in the case of municipalities, reductions in the amounts properly chargeable as payments in lieu of taxes. This Part shall be inapplicable to ordinary operating refunds that are not attributable to negotiation or to new legislation, adjudication or rulemaking (such as refunds for overpayment of estimated taxes, and carry-backs of net operating losses and investment tax credits). For purposes of this Part, a refund is deemed to occur when the earlier of the following events occurs, regardless of the possibility of subsequent audit or litigations:

(1) the refund is authorized by decision of a competent agency or court; or

(2) the utility receives it or uses it as an offset to liability.

(b) The utility shall notify the commission within 60 days after the refund occurs if the refund:

(1) exceeds $1,500,000; or

(2) exceeds $1,000 and exceeds 0.2 percent of the utility's operating revenues for the most recent calendar year that ends more than four months before the refund occurs.

(c) In determining whether a refund exceeds 0.2 percent of operating revenues for purposes of paragraph (b)(2) of this section:

(1) in the case of a gas, electric, steam or combination utility, operating revenues shall be reduced by the amounts properly chargeable to the functional group of production operation and maintenance expense accounts;

(2) in the case of a combination utility, the refund shall be deemed to exceed 0.2 percent of operating revenues if, after the refund is allocated among the gas, electric and steam departments in a manner reflecting insofar as possible the extent to which the refund is related to each department's activities, one or more of the portions thus allocated exceeds 0.2 percent of the operating revenues of the department to which it is allocated;

(3) in the case of a water utility, operating revenues shall be reduced by the amounts properly chargeable to the functional groups of source of supply, and pumping operation and maintenance, expense accounts; and

(4) in the case of a telephone utility, operating revenues shall not include interstate revenues.

(d) In determining whether a refund meets the criteria stated in subdivision (b) of this section, multiple refunds shall be treated as a single refund if they share a common cause such as a common act of negotiation, legislation, adjudication or rulemaking.

(e) If a refund does not meet the criteria stated in paragraph (b)(1) or (b)(2) of this section, it shall be reported and itemized in the utility's annual report to the commission for the year in which the refund occurs.
(f) When giving the commission any notification or report pursuant to this Part, the utility also shall either propose a method of distributing to its customers the entire amount refunded, or show why it should not make such a distribution.

PART 90
CONSUMER DEPOSITS--ELECTRIC CORPORATIONS
(Statutory authority: Public Service Law, ñ6 36[3], 66, 80, 89-c, 97, 117)

Sec.
90.1 Records
90.1 Records. Each and every electric corporation and gas and electric corporation holding consumer deposits shall keep such records as will show, with respect to each deposit:

(a) the name of the consumer making the deposit;
(b) the address (including street and number) of each depositor, if known;
(c) the date of receipt of the deposit;
(d) the amount of the deposit;
(e) the interest accrued upon the deposit to be entered biennially or more frequently;
(f) all credits of interest made in reduction of amounts billed for service rendered, and the dates of such credits;
(g) all payments of interest made on each deposit, and the dates of such payments;
(h) deductions representing sums due and unpaid to the corporation when depositor ceased to be a consumer, and the date thereof, together with such other information as any such corporation may deem necessary to make a complete record of each deposit.

90.2 Index of consumers. Each and every electric corporation and gas and electric corporation holding consumer deposits shall keep, in addition to the records prescribed in section 90.1 of this Part, an index or indices, alphabetically or geographically arranged, which shall show at all times the name of each consumer from whom a deposit has been exacted, and whose said deposit or any part thereof remains unpaid, with appropriate reference in such index to the consumer's account.

90.3 Interest. Each and every electric corporation and gas and electric corporation holding consumer deposits shall allow to each depositor simple interest on the amount deposited. The interest rate to be applied to the amount deposited shall be a composite yield of intermediate term, A-rated corporate bonds, as reported in financial publications, less costs of administering deposits of 1.75 per centum per annum. The rate shall be updated effective January 1st each year, based upon yield information available on the first Friday of October of the preceding year. The Commission will issue an advisory letter which publicizes the information to assure consistency. Each corporation shall credit such interest to each depositor whose deposit shall have been held for one year by paying such interest in cash or deducting it from the amount of a bill for electric service rendered such depositor.

90.4 Application of deposit to unpaid bill. Each and every electric corporation and gas and electric corporation holding consumer deposits
shall render to each depositor, when and as his deposit is applied to an unpaid bill or bills, a statement showing:
   (a) the bill or bills then due and unpaid;
   (b) the amount thereof;
   (c) the amount of the deposit, together with the interest accrued thereon and the period covered thereby; and
   (d) the balance of the bill or bills remaining unpaid or the balance of the deposit and interest thereon remaining to the credit of the depositor.

90.5 Special provision for residential customers. (a) Definitions. For the purposes of this section, and when used in section 90.6 of this Part, the following definitions shall apply:

   (1) Existing residential customer is a customer who receives electric service to a dwelling unit which such customer uses for his residential purposes and where business rates do not apply to the service. An existing residential customer includes an applicant for electric service who has transferred dwelling units within a utility's service territory and for whom there is a recent payment history.

   (2) New residential customer is an applicant for electric service to a dwelling unit which such customer uses for his residential purposes and where business rates do not apply to the service, and who does not qualify as an existing residential customer.

   (3) Delinquent in payment means, unless a more liberal standard is adopted by the utility, that a residential customer has not paid in full a duly rendered bill, or an agreed-upon partial payment, for electric service 25 days after the "to date" of the bill or within a longer period agreed to by the utility. A residential customer who has not paid in full a bill, or an agreed-upon partial payment, for electric service in circumstances where disconnection for nonpayment is precluded under utility complaint procedures established under section 143.8 of this Title or commission complaint procedures under Part 11 of this Title, shall not be considered delinquent in payment.

   (4) Payment shall be considered accomplished on the date when the full amount of the bill or an agreed-upon partial payment is received by the electric corporation or gas and electric corporation or by any of such corporation's agents; provided, however, that if payment is mailed to such corporation or its agents, payment shall be considered accomplished as of the mailing by the consumer.

(b) Credit risk standards. (1) An existing residential customer may not be considered a bad credit risk unless such customer has been delinquent in payment two or more times within a recent 12-month period, or unless such customer's electric service has been discontinued for nonpayment during the preceding 12 months.

   (2) A new residential customer may not be considered non-credit-rated unless such customer is unable to provide, to the satisfaction of the utility, affirmative answers to three or more of the six questions contained in Appendix 15-A of this Title, infra. Each electric corporation and gas and electric corporation shall adopt procedures which provide for use of the six questions appearing in Appendix 15-A of this Title, infra. An electric corporation or gas and electric corporation may determine whether to require a deposit from a new residential customer in accordance with the credit risk standards provided in paragraph (1) of this subdivision; if sufficient information
is available from a New York utility rendering comparable service to
determine whether such customer is a bad credit risk as defined in
paragraph (1) of this subdivision. If a new residential customer can
establish prior satisfactory credit history with a utility rendering
electric service at the customer's most recent address, the electric
corporation may not obtain a security deposit from such new residential
customer.

(c) Residential customer deposits. No electric corporation or gas and
electric corporation may require a deposit from a residential customer
unless such corporation shall establish that the residential customer is
a bad credit risk or non-credit-rated in accordance with the definitions
and standards prescribed in this section.

(d) No electric corporation or gas and electric corporation may
require a deposit from a residential customer in excess of two times the
estimated average monthly bill for a calendar year except in the case of
electric or gas space heating customers where deposits may not exceed
two times the estimated average monthly bill for the heating season.

90.6 Refunds. (a) Each electric corporation and gas and electric
corporation holding consumer deposits shall render to each depositor,
when and as his deposit is refunded, a statement showing the amount of
the deposit, together with the amount of unpaid interest accrued thereon
to the date of refund and the period covered thereby; and the amount of
deposit and interest refunded. Any refund may be credited to the
customer's account only to the extent of the current charges and the
charges for the next succeeding month, and any balance or, at the
election of such corporation, the full refund, shall be made to the
depositor. Each depositor, upon becoming entitled thereto by reason of
nondelinquency for one year, upon ceasing to be a subscriber or as
provided by subdivision (b) of this section, may withdraw his deposit
and all interest thereon which has not been refunded or credited against
bills for service, upon surrendering his deposit certificate (or
submitting satisfactory proof of ownership of the deposit or of the
right to receive the same) and the payment of all bills for which such
deposit is security. The "prudent" period of deposit retention, referred
to in Public Service Law, section 117, may not exceed two years of
nondelinquency in payment of bills rendered.

(b) Each electric corporation and gas and electric corporation shall,
before April 1, 1976, review the accounts of all existing residential
customers who have made deposits. Thereafter, each corporation shall
review, on not less than an annual basis, the accounts of all existing
residential customers who have made deposits. If a residential customer
is not a bad credit risk, as defined in paragraph (b)(1) of section 90.5
of this Part, the utility shall promptly refund to such customer the
amount of the deposit and the interest thereon.

90.7 Certificate of deposit. Each and every electric corporation and
gas and electric corporation holding consumer deposits shall issue to
every consumer from whom a deposit may be exacted a certificate of
deposit, for which shall be used a good quality of paper and on which
certificate there shall be printed, in addition to the receipt for the
moneys deposited, the substance of the following:

THIS RECEIPT IS NOT NEGOTIABLE OR TRANSFERABLE

Interest will be allowed on this deposit so long as it shall remain
with the corporation. When this deposit has been held for one year, interest thereon will be paid in cash or credited on a bill for service rendered the depositor thereafter, but not later than the first bill rendered after the next succeeding first day of October, and at the expiration of each succeeding one-year period.

Preserve this receipt to be surrendered when deposit is returned.

90.8 Refund without certificate of deposit. Each and every electric corporation and gas and electric corporation holding consumer deposits shall provide reasonable ways and means, in such manner as such corporation may elect, whereby a depositor who makes application for the return of his deposit and is entitled to the return thereof, but who is unable to produce the original certificate of deposit or receipt, may not be deprived of his rights.

90.9 Circular containing terms of deposit. Each and every electric corporation and gas and electric corporation holding consumer deposits shall keep on hand, for distribution to its consumers, printed circulars, over its corporate or business name, which circulars shall be entitled "TERMS AND CONDITIONS UPON WHICH CONSUMERS' DEPOSITS ARE COLLECTED, HELD, AND MAY BE WITHDRAWN", and which shall contain a copy of this Part, a copy of Public Service Law section 117 (as added by L. 1976, ch. 557), and such other pertinent information as the corporation may elect. In lieu of providing a copy of section 117 of the Public Service Law and a copy of this Part, every such corporation may provide a circular approved by the commission containing the pertinent features of these requirements. Every such corporation shall furnish a copy of said circular or a summary of the pertinent features of these requirements to the consumer or applicant for service from whom a deposit is demanded when such corporation first informs said consumer that a deposit is required. Every such corporation shall post copies of such circular or summary in prominent place(s) in each business office frequented by consumers.

90.10 Extension of service when deposit is disputed. Each and every electric corporation and electric and gas corporation shall extend service to any new applicant for service who has initiated a complaint on a deposit requested by such corporation and shall continue to supply service during the pendency of such complaint, provided that such applicant keep current on bills for service rendered and pay a reasonable amount as a deposit if the complaint challenges only the amount requested.

PART 91

CONSUMER DEPOSITS--MUNICIPAL UTILITIES
(Statutory authority: Public Service Law, õõ 36(3), 66, 80, 89-c, 97, 117)

Sec.
91.1 Deposit
91.2 Terms
91.3 Records
91.4 Residential customers
A municipality requiring any person or corporation to whom such municipality shall supply electricity, gas or steam service to deposit a sum of money to secure payment for such service shall allow to every such depositor interest on the sum deposited so long as it shall remain with the municipality. The interest rate to be applied to the amount deposited shall be a composite yield of intermediate term, A-rated municipal bonds, as reported in financial publications, less costs of administering deposits of 1.75 per centum per annum. The rate shall be updated effective January 1st each year, based upon yield information available on the first Friday of October of the preceding year. The commission will issue an advisory letter which publicizes the information to assure consistency.

SO DOC 16A-91.2 NYCRR
91.2 Terms.
The crediting or payment of interest upon deposits, the retention and return thereof, shall be effected in accordance with the provisions of section 36 of the Public Service Law.

SO DOC 16A-91.3 NYCRR
91.3 Records. Records of such deposits, statements and circulars pertaining thereto, shall be maintained and issued in conformance with the requirements of Part 90 of this Title.

SO DOC 16A-91.4 NYCRR
91.4 Residential customers.
Municipal utilities shall comply with the special provisions for residential customers contained in sections 90.5 and 90.6 of this Title.

SO DOC 16A-PT92 NYCRR
PART 92
METERS--TESTING AND REPORTING
(Statutory authority: Public Service, § 67)

Sec.
92.1 General provisions
92.2 Definitions
92.3 Meter test facilities
92.4 Calibration
92.5 Meter records
92.6 Test loads and conditions
92.7 Test for new meters
92.8 Determination of meter performance
92.9 Complaint and referee tests
92.10 In-service tests
92.11 Meter registers and add-ons auxiliary devices, and data processing

SO DOC 16A-92.1 NYCRR
Section 92.1 General provisions.
(a) The rules and regulations contained in this Part are promulgated to establish minimum requirements for the guidance of meter service providers in instituting practices in connection with the testing and maintenance of electricity meters in order to promote a high degree of metering performance.

(b) The Department of Public Service Part 92 Operating Manual (March 14, 2003) contains additional procedures which must be adhered to by all entities providing metering services. The metering procedures shall be available for public inspection by contacting the Public Service Department's Office of Consumer Education and Advocacy, 3 Empire State Plaza, Albany, NY 12223 and will be posted on the Department's website.
at www.dps.state.ny.us.

(c) For the purpose of this Part, the term meter service providers shall include all corporations, municipalities, and persons installing, testing, maintaining, or operating electricity meters used for billing customers.

(d) Each meter service provider shall provide adequate and proper meter testing facilities and shall have all electricity meters, used or intended to be used for the purpose of billing customers, tested and adjusted as required by this Part.

(e) Rules pertaining to watthour meters shall apply, insofar as they are applicable, to volt-ampere hour meters, varhour meters, compensated meters, and other electricity meters.

(f) Meters and metering devices used or intended to be used for the purpose of billing customers shall be of types approved by the commission.

(g) Any approved types of meters and metering devices may be used in various combinations provided that the over-all percentage registrations are within the limits as specified in the Part 92 Operating Manual.

(h) A meter or metering device which has been tagged or sealed for a referee test shall be unsealed, tested, replaced or removed in the presence of or at the direction of the commission or its designee.

(i) Specifications for test equipment, calibration intervals, and testing of metering devices are specified in the Part 92 Operating Manual.

92.2 Definitions.

(a) A meter testing facility is a laboratory or shop maintained or used by a meter service provider that is suitably equipped to test the accuracy of electricity meters. The facility must be certified by the Public Service Commission or its designee.

(b) A standardizing laboratory is a laboratory or shop equipped to maintain basic units of electrical measurements to apply those measurements to the testing of electricity metering test equipment, and to provide traceability to the standards maintained in the National Institute of Standards and Technology. The laboratory must be certified by the commission or its designee.

(c) The national Institute of Standards and Technology (NIST) is the federal agency responsible for the maintenance of nationally recognized measurement standards.

(d) Traceability is the process by which the assigned value of a measurement is compared, directly or indirectly, through a series of calibrations to the value established by the U.S. national standard.

(e) A complaint test (request test) is an as-found accuracy test of an electricity meter meter, made by a meter service provider as a result of a complaint made to the Energy Service Company, Meter Service Provider or T&D utility by a customer.

(f) A referee test is an as-found accuracy test of an electricity meter, made or witnessed by a representative of the commission as a result of a complaint made to the commission by a customer or at the request of an Energy Services Company, Meter Service Provider or T&D Utility. Referee tests shall be made in a manner acceptable to the commission or its designee.

(g) An as found test is a test of an electricity meter made at prescribed load points to determine its performance prior to any
adjustment or disassembly.

(h) An as left test is a test of an electricity meter made at prescribed load points to determine its performance after adjustments have been made and prior to being placed in or restored to service.

(i) An in-service test is an as found test of an electricity meter made in accordance with a test program, as defined in the Part 92 Operating Manual, which is designed to establish the overall performance of the meter population.

(j) The customer is the individual or entity purchasing electrical energy for a fee based on data provided by an electricity meter. This shall include direct customers of the ISO.

(k) The New York Independent System Operator (ISO) is a New York not-for-profit corporation providing operating control over the bulk electricity transmission system within New York State.

92.3 Meter test facilities.

(a) Each meter service provider shall maintain or have access to a suitable facility for testing electricity meters that has been certified by the commission or its designee as specified in the Part 92 Operating Manual.

(b) The meter test facility shall be equipped with test equipment suitable to establish test conditions and to determine meter performance.

(c) The meter test facility shall be managed and staffed by competent personnel.

(d) The meter test facility shall be located within New York State and not impose restrictions on its use for tests which are to be witnessed by a customer, the commission or its designee through its location or access requirements.

(e) The use of commercial standardizing laboratories as Meter Test Facilities shall be allowed only where such laboratories can be shown to have the appropriate test equipment and be staffed by personnel knowledgeable in the test and maintenance of electricity meters. Commercial standardizing laboratories used as meter test facilities shall be certified by the commission or its designee.

(f) No meter test facility may be used for the test of electricity meters used for customer billing until it has been inspected and certified by the commission or its designee.

92.4 Calibration.

(a) All meters and meter test standards and instruments used to test the accuracy of electricity meters must be calibrated and be traceable to the National Institute of Standards and Technology, as specified in the Part 92 Operating Manual.

92.5 Meter records.

(a) For all energy or demand meters installed on customer's premises, records shall be maintained by the Energy Services Company, Meter Service Provider or the T&D Utility controlling the meter which identify the year purchased, the manufacturer, the type, the identifying number, the nameplate data relative to the rating of the meter, and the year and results of the last test. Such records shall be sufficient to identify all associated meters and accessory equipment affecting the accuracy of the billing.
(b) Records for each meter shall be accessible to the commission or its designee and to any entity having direct financial interest in the data provided from that specific meter.

(c) Requests for meter records will be responded to within a time frame as specified in the Part 92 Operating Manual.

92.6 Test loads and conditions.

(a) Test conditions and loads shall be as specified in the Part 92 Operating Manual.

(b) All new electricity meters shall be tested and adjusted to an accuracy of as near to 100% registration as practical by either the manufacturer or the meter of the Meter Service Provider before installation as specified in the Part 92 Operating Manual.

(b) Where these tests are performed by a manufacturer who maintains a standardizing laboratory, the meter service provider shall take appropriate action to assure that the watthour meters conform to the requirements as specified in the Part 92 Operating Manual.

92.7 Tests for new meters.

(a) Meter registration shall be considered "indeterminate" when there is any doubt as to whether the accuracy of the registration can be determined. Meter registration may also be considered "indeterminate" if two successive readings taken at each load fail to agree within the specified maximum error of the meter.

(b) A meter shall be reported as "Damaged" when it is registering incorrectly due to tampering, incorrect connections, overload or damage originating from external sources.

(c) A meter shall be reported as "Not Registering" if for any reason it is found not registering at both the light load and heavy load test points.

(d) Meter accuracy may be specified as that which is measured at a single test point or as a combined accuracy based on tests taken at multiple load points. Only one method of determining performance may be used for any meter type. The appropriate method for each meter type is specified in the Part 92 Operating Manual.

(e) Test methods used for determination of meter accuracy are specified in the Part 92 Operating Manual.

92.8 Determination of meter performance.

(a) A meter shall be reported as "Damaged" when it is registering incorrectly due to tampering, incorrect connections, overload or damage originating from external sources.

(b) A meter shall be reported as "Not Registering" if for any reason it is found not registering at both the light load and heavy load test points.

(d) Meter accuracy may be specified as that which is measured at a single test point or as a combined accuracy based on tests taken at multiple load points. Only one method of determining performance may be used for any meter type. The appropriate method for each meter type is specified in the Part 92 Operating Manual.

(e) Test methods used for determination of meter accuracy are specified in the Part 92 Operating Manual.

92.9 Complaint and referee tests.

(a) Where possible, a complaint test of a meter shall be made with the meter installed in place on the customer's premises, without requiring the removal of the meter in any manner from its permanent position prior to the test.

(b) A complaint test of a meter may be made at the meter testing facility in lieu of the customer's premises if conditions at the site do not allow safe operation during the test or if the technology of the device requires test conditions not readily available at a customer location.

(c) A detachable meter may be mounted in a test device designed for insertion into the meter mounting.

(d) The cover of a meter may be removed at the time of the test.

(e) Referee tests shall be subject to the same constraints and
requirements as complaint tests.

(f) Referee tests shall be made in a manner acceptable to the commission or its designee.

(g) Devices and related circuits such as totalizers or relays for customer billing not detailed in this Part shall be tested, and reports of such tests shall be made, in a manner acceptable to the commission or its designee.

92.10 In-service tests.

(a) All installed meters shall be subject to in-service testing to determine the performance of the meter population. These tests must be performed as specified in the Part 92 Operating Manual.

(b) Performance standards for the meter population are specified in the Part 92 Operating Manual.

(c) Any entity operating electricity meters used for billing of customers within New York State and who are eligible to be meter service providers under the Commission's "Practices and Procedures for the Provision of Electric Metering in a Competitive Environment" will be responsible for the administration of an in-service test program for any meters that they have installed within the state. The program will be based solely on the population of meters installed in New York and shall not be affected by any meters installed in other states.

(d) Individual test programs for in-service meters will be filed with and approved by the commission or its designee prior to their use.

(e) Reports of meter performance will be made to the commission or its designee as specified in the Part 92 Operating Manual.

92.11 Meter registers and add-ons, auxiliary devices, and data processing.

(a) Meter demand registers shall be tested as specified in the Part 92 Operating Manual.

(b) Meter add-ons, such as pulse initiators, communications modules, etc., shall be verified for performance and effect on the meter as part of the approval process for the meter on which they will be used as specified in Part 93. The tests for new meters specified in 92.7 and the in-service tests specified in 92.10 shall not apply to these add-ons.

(c) Functions performed on the raw meter data by data processing systems shall be verified for compliance with specifications, functionality, and accuracy before use. The approval requirements of Part 93, the tests for new meters specified in 92.7 and the in-service tests specified in 92.10 shall not apply to these functions.

(d) Auxiliary devices, such as pulse recorders, totalizers, etc., must be approved for use in customer billing applications as specified in Part 93. Their performance will be verified as part of the approval process. The tests for new meters specified in 92.7 and the in-service tests specified in 92.10 shall not apply to these devices.
93.1 Definition of meter. For the purposes of this Part, the term meter shall include all meters and associated devices used for the determination of the units of electric service furnished to consumers.

93.2 Acceptable meters. Only types of meters which have been approved by the commission shall be used for the purposes of customer billing. The commission may approve or reject a type of meter or metering system on the basis of tests required by these rules or such tests as the commission staff may direct.

93.3 Types of meters eligible for approval. Only those types of meters which are completely and permanently assembled and classified by type by the manufacturer are eligible for approval by the commission. New types shall conform with the requirements specified in Acceptable Performance of New Types of Electricity Meters and Instrument Transformers, of the latest version of the American National Standard Code for Electricity Metering (ANSI C12).

93.4 Modification of types. Permission to use an approved type of meter is effective only for those types which are of the same electrical design and assembly as the type approved. If the manufacturer of an approved type changes its construction in a manner that may affect its operation or accuracy, the sponsoring entity or the entity intending to use the modified device shall notify the commission staff specifying the changes. If the commission staff determines that the change is significant, the meter will be considered a new type and subject to approval. Minor variations in mechanical construction which are not of such character as to affect the electrical operation will be permitted in meters of the same type, but the commission staff shall be notified and reserves the right to make the determination.

93.5 Who may make application. Any utility under the jurisdiction of the commission, any energy services company or competitive meter service provider subject to the commission's consumer protection and oversight requirements, or any nonresidential customer that qualifies for the host utility's mandatory time of use rates may make application for the approval of a type of meter intended for use in New York State. A manufacturer may also apply, provided the application is accompanied by a statement of an entity certifying that it intends to use such type of meter.

93.6 Form of application. The following shall be included in the application addressed to the commission:
   (a) name and address of applicant;
   (b) name and address of manufacturer;
   (c) manufacturer's type of designation, together with a brief description of general and physical characteristics, including ratings,
size, shape, adjustments and the type service to which the meter may be applied;
(d) statement of intent of sponsoring entity to use, if approved;
(e) a statement by the manufacturer or sponsoring entity certifying that the device under consideration has been tested to, and meets, all the requirements of this Part;
(f) a statement by the manufacturer, sponsoring entity or testing laboratory, certifying that:
(1) all tests have been conducted by personnel who have thorough practical and theoretical knowledge of the meters and adequate training in making precision measurements;
(2) the test equipment employed in these tests conforms to the applicable requirements specified in Standards and Standardizing Equipment, of the latest version of ANSI C12; and
(3) the accuracy of the test equipment has been established by comparison with standards whose accuracy is traceable to the National Institute of Standards and Technology.

PART 94
USE BY ELECTRIC CORPORATION OF DEMAND METERS AND REGISTERS OF THE INDICATING TYPE
(Statutory authority: Public Service Law, õ 66)

Sec.
94.1 Demand registers
94.2 Demand meters
94.3 Photographic record of readings

PART 96
RESIDENTIAL ELECTRIC SUBMETERING
(Statutory authority: Public Service Law, õõ 4, 53, 65 and 66)

Sec.
96.1 Definitions
96.2 Electric service to submetered multi-unit residential premises -- General Provisions
96.3 Filings seeking authorization to convert existing master-metered residential rental premises to submetering and submetering in new premises.
96.4 Submetering in master-metered residential cooperatives and condominiums
96.5 Notice of intent to submeter and petition to submeter -- contents
96.6 Electric submetering service conditions
96.7 Electric submetering equipment requirements
96.8 Failure to comply with this part
96.9 Severability

Section 96.1 Definitions. The following definitions apply for purposes of this Part:

(a) Assisted Living Facilities - Multi-unit residential premises, identified as assisted living facilities and certified by the New York State Department of Health as such, which provide congregate residential housing with supportive services, including on-site monitoring, and personal care services and/or home care services in a homelike setting.

(b) Campground, recreational trailer park, marinas, and parking facilities - Facilities for use on an intermittent, temporary, or irregular basis by campground, recreational, trailer park, marina, or vehicle charging stations where electric service is delivered by the utility to the facility owner and redistributed to individual campsites, trailers, boats or plug-in electric vehicle charging stations with or without submetering.

(c) Condominium - Separate ownership of individual units in a multi-unit residential premises. Each unit owner holds title to a unit of real property and also owns a common tenancy with owners of other units for the common areas of the building, which are managed by a homeowners' association, or as established in the condominium bylaws.

(d) Cooperative Apartment - Multi-unit residential premises in which residents own a share in the corporation that owns the real estate, which entitles the shareholder to occupy a dwelling unit. Each shareholder is granted the right to occupy one housing unit through an occupancy agreement, which is similar to a lease. A board of directors manages the cooperative.

(e) Direct metering - In multi-unit residential premises, the measurement of electricity use in each unit through a meter that has been provided by the distribution utility company, wherein each individual residential unit is assigned its own meter.

(f) Electric heating - Heat provided to an entire living space with electricity primarily by means of non-portable electric heating appliances.

(g) HEFFPA - The Home Energy Fair Practices Act, Public Service Law òò30-53 and all Commission regulations adopted to implement such provisions.

(h) Master-metering - The measurement through a single meter of the quantity of electricity delivered to a multi-unit residential premises by a utility, wherein the owner or manager of such building is the utility customer and wherein the electricity may be redistributed to the individual residential units in the building either with or without submetering.

(i) Rate cap - The maximum rate, calculated in each billing period, that may be used to compute the charges for electric service to a
submetered resident. Unless a different rate cap is set pursuant to § 96.2(a) and § 96.8(b) and (c) of this Part, the rate cap shall be the rates and charges of the distribution utility for delivery and commodity in that billing period to similarly situated, direct metered residential customers. Where residents are billed for time-of-use, the maximum rate for purposes of calculating the rate cap shall be the average annual residential rate.

(j) Resident - The occupant of a unit used as a home in a multi-unit residential premises.

(k) Senior Living Facility - Multi-unit residential premises in which energy-efficient housing and other services are provided, and will be provided in the future, to resident senior citizens, in which electric usage does not vary significantly from unit to unit because units are uniform in size and in the types of appliances, and which promotes economic development.

(l) Submeterer - Any multi-unit residential premises owner or utility customer of record who purchases electricity for delivery by the utility to the premises and facilitates the sale or redistribution of such electricity for use by the premises occupants whose units are separately metered and billed based on the measurement of electricity use in each occupant's unit. Any entity acting on behalf of such owner that arranges for the installation of submeters and the billing of submetered usage to individual residents shall be considered the agent of the submeterer. The submeterer may engage the services of a submetering service provider to install meters, read meters and/or handle billing.

(m) Submetering - A system of measuring electricity use in a residential unit in a master-metered multi-unit residential premises, or campground, trailer park, marina or parking facility by means of a submeter installed on the wiring to each residential unit, campsite, trailer, boat hookup or plug-in electric vehicle charging station.

(n) Time-of-use rates - The pricing of electricity based on actual usage during particular time intervals. Time-of-use rates may be applicable to blocks of time over a 24 hour period.

(o) Time-of-use meter - A meter that registers accumulated energy consumption (data) over specific time intervals.

(p) Utility customer - For purposes of this Part, an electricity consumer whose use of electricity is directly metered by the distribution utility and is a customer of record of the distribution utility.

.96.2 Electric Service to Submetered Multi-unit Residential Premises - General Provisions.

(a) Provisions Applicable to all Submetering. (1) Electric service shall only be provided to a multi-unit residential premises in which individual dwelling units in the premises receive submetered electric service if the submetering (a) is and continues to be authorized by Commission order where a Commission order was necessary, (b) is and continues to be consistent with any conditions imposed by such order, and (c) is and continues to be consistent with this Part notwithstanding previous authorization to submeter that did not include the requirements herein.

(2) If electric service is provided to a multi-unit residential premises in which the individual dwelling units in such premises receive submetered electric service, but which, after the procedures provided
for in §96.8(b) and (c), has been found to be (a) inconsistent with any conditions imposed by the Commission's order authorizing such service, or (b) inconsistent with applicable provisions of this Part, the rate cap for such service may be reduced by up to 40%. The rate cap will continue at such reduced level from the date specified in the Notice of Rate Cap Reduction until such time as the Department confirms to the submeterer that such inconsistency has been corrected. Further, when such inconsistency existed for a period of time prior to the Department's Notice of Alleged Violation, contained in §96.8, the reduced rate cap may be extended to all or a portion of such period, not exceeding two years, and the submeterer shall refund to residents the difference between the reduced rate cap established for that period pursuant to this paragraph and any charges for electric service paid by residents in such period. A rate cap reduction made pursuant to this section is appealable to the Commission within 15 days of the date of the Notice of Rate Cap Reduction.

(b) Existing Direct Metered Multi-unit Residential Premises. Except as otherwise provided in this Part, electric service provided to individual residential units in existing multi-unit residential premises through direct metering may not be discontinued or replaced by master metering. If, however, a Petition to Submeter is filed, which (1) complies with the applicable requirements of §96.5 and §96.6; (2) seeks to convert such premises from direct metering to master-metering with submetering; and (3) demonstrates that the building or complex for which master metering with submetering is sought will participate in building level demand response programs or will employ on-site co-generation plant or an alternative, advanced energy efficiency design, the conversion to submetering may be authorized by the Commission.

(c) Assisted Living and Senior Living Facilities. Electric service is authorized to be established or continued to assisted living or senior living facilities through master metering.

(d) Campgrounds, Recreational Trailer Parks, Marinas, and Parking Facilities. Electric service may be provided to the facility owner or operator of campgrounds, recreational trailer parks, marinas and parking facilities for redistribution to individual campsites, trailer, boat hookups, or plug-in electric vehicle charging stations with or without submetering. Master metering and submetering, at the facility owner's or operator's option, may be installed and used for billing without Commission approval and are not subject to submetering service conditions.

§96.3 Filings Seeking Authorization to Convert Existing Master-metered Residential Rental Premises to Submetering and Submetering in New Premises.

(a) Notice of Intent to Submeter. Except when a conversion to submetering results in the cost of electric heat becoming the responsibility of the residents or when a building owner seeks authorization to install submetering in place of direct metering pursuant to §96.2(b), a master-metered multi-unit residential rental premises with submetering shall be authorized:

(1) after filing a Notice of Intent to Submeter, which includes the information, descriptions, plans, forms, certifications, and other materials and representations specified for such Notices in §96.5 of this Part;
(2) after individual notices to residents are provided pursuant to §96.3(c);

(3) upon the Commission's determination and order approving such submetering as in the public interest and consistent with the provision of safe and adequate electric service to residents. In making this determination, the Commission may rely on the Notice of Intent to Submeter and the information therein, when complete, as a rebuttable presumption that submetering at such premises is in the public interest and consistent with the provision of safe and adequate service to residents.

(b) Petition to Submeter. (1) When payment for electricity for electric heat will become the responsibility of residents, submetering will be authorized:

(i) after filing a Petition to Submeter which includes the information, descriptions, plans, forms, certifications, and other materials and representations specified for such Petitions in §96.5 of this Part;

(ii) after individual notices to residents are provided pursuant to §96.3(c) where necessary; and

(iii) upon the Commission's determination and order approving such submetering as in the public interest and consistent with the provision of safe and adequate electric service to residents. Such determinations will be considered by the Commission on a case-by-case basis. In making such determination, the Commission may rely on the Petition to Submeter, supplemental information provided with the Petition, information supplied in public comments, and staff's investigation.

(2) Replacement of direct metering with submetering shall be authorized:

(i) after filing a Petition to Submeter which includes the information required by §96.5 of this Part and the demonstration described in §96.2(b);

(ii) after individual notices to residents are provided pursuant to §96.3(c); and

(iii) upon the Commission's determination and order approving such submetering as in the public interest and consistent with the provision of safe and adequate electric service to residents. Such determinations will be considered by the Commission on a case-by-case basis. In making such determination, the Commission may rely on the Petition to Submeter, supplemental information provided with the Petition, information supplied in public comments, and staff's investigation.

(c) The following notice to residents is required for conversions to submeter. The submeterer shall provide or shall have provided proof, in the form of a sworn affidavit, that the following individual, written notices have been provided to all current residents:

(1) Prior to Filing a Notice of Intent to Submeter or a Petition to Submeter pursuant to this Part. Prior to submitting a Notice of Intent to Submeter or a Petition to Submeter, the prospective submeterer identified in such Notice or Petition shall provide individual notice to current residents of the prospective submeterer's intent to submit a Notice of Intent to Submeter or Petition to Submeter. Such notification to residents shall include the identification of a location in the premises where, and at times convenient to the residents, the information required to be provided to the Commission under §96.5 may be reviewed by residents. Such notification shall also include an offer to
provide, upon request by a resident, a copy of such Notice or Petition.

(2) Prior to Approval. A Notice of Intent to Submeter or Petition to Submeter filed pursuant to §96.3 shall not be noticed for comment in the New York State Register until all information required in §96.5 in connection with such Notice or Petition is filed with the Secretary. Immediately upon publication of the Notice of Intent to Submeter or Petition to Submeter in the State Register, the prospective submeterer shall inform current residents individually that the Commission has commenced a proceeding and how they may submit comments to the Department of Public Service within the State Administrative Procedure Act comment period.

(3) After Submetering Approval. After submetering is authorized pursuant to this Part, the submeterer shall notify residents individually no less than 2 months prior to the actual commencement of billing for submetered electric service. The submeterer shall file with the Secretary a copy of the notice provided to current residents of the date upon which submetering will commence. Such required notice shall include:

(i) a statement indicating that prospective residents will be notified prior to signing a lease or purchase agreement that electricity will be supplied on a submetered basis and the residents will be responsible for electric charges;

(ii) a copy of the annual notice used or to be used for compliance with PSL §44, which summarizes the residents' HEFPA rights and responsibilities, including complaint handling procedures; and

(iii) the precise manner in which submetered residents may contact the Department of Public Service Office of Consumer Services.

(d) The submeterer shall commit in writing to accept all of the conditions required by the Commission in its order authorizing submetering and in these regulations.

(e) Submeters shall be installed and submetered billing shall commence within five years of the Commission order authorizing submetering. If submetering has not commenced within five years of such Commission order, a new Notice of Intent to Submeter or Petition to Submeter shall be filed with the Commission.

(f) Authorization to submeter shall continue when ownership of a submetered premises is transferred.

96.4 Submetering in Master-metered Residential Cooperatives and Condominiums.

Master-metering with submetering in residential cooperatives or condominiums shall be authorized:

(a) after filing a Notice of Intent to Submeter which includes the information, descriptions, plans, forms, certifications, and other materials and representations specified for such Notices in §96.5 of this Part;

(b) after individual notices to owners or shareholders are provided pursuant to §96.3(c); and

(c) upon the Commission's determination and order approving such submetering as in the public interest and consistent with the provision of safe and adequate electric service to residents. In making this determination, the Commission may rely on the Notice of Intent to Submeter and the information therein, when complete, as a rebuttable presumption that submetering at such premises is in the public interest.
and consistent with the provision of safe and adequate service to residents.

SO DOC 16A-96.5                                                    NYCRR

96.5 Notice of Intent to Submeter and Petition to Submeter - Contents.

Each Notice of Intent to Submeter or Petition to Submeter filed pursuant to this Part shall include:

(a) a description of the type of submetering system to be installed, including a demonstration in all Notices and Petitions submitted after January 1, 2016, that the submetering system, when installed, will be capable of service termination to individual units. Such description shall include the meter classification according to the manufacturer's name and proof of each submeter's conformance to the requirements in 16 NYCRR Parts 92 and 93. Authorization to submeter pursuant to this Part will be, unless modified by Commission order, contingent upon use of the named, or an identified comparable submetering system.

(b) a description of the methods to be used to calculate the bills for individual residents when submetering is implemented, including the methods to be used to determine that the submetered bills, when rendered, will comply with the rate cap as set forth in this Part.

(c) a plan for complying with the provisions of HEFPA. Such plan shall include, but is not limited to, a description or sample of the prospective submeterer's form to be used to determine residents assets, budget billing form, quarterly billing form, reminder notice, notice to social services of a resident's inability to pay, final termination notice, final suspension notice, the annual resident notification of rights, bill contents, budget or levelized payment plan, deferred payment agreement, and complaint handling procedures.

(d) a "Submeterer Identification Form," which shall contain the premises' utility company account number(s) and the name, telephone number and address of the individual or individuals responsible for billing and for resolving resident complaints. For new accounts for which account numbers are not available when the Notice of Intent to Submeter or Petition to Submeter is filed, account numbers shall be made part of the Submeterer Identification Form when available to the applicant.

(e) where applicable, a description of the method to be used to back out electric charges from rent, which shall include:

(1) a detailed description of how such monthly reduction to rent charges will be calculated; and

(2) a copy of the individual notice provided to residents explaining the basis and methodology for such rent or monthly maintenance reductions.

(f) certification by the prospective submeterer that the following shall be included in plain language in all leases or agreements governing the premises to be submetered, which shall be filed with the Commission in the Notice of Intent to Submeter or Petition to Submeter:

(1) submetering complaint procedures,

(2) the HEFPA rights and responsibilities of residents, and

(3) a provision stating that submetering refunds will be credited to submetered residents affected by the submeterer's actions that led to such refunds provided that the submeterer has such contact information for such resident.

(g) proof of service that a Notice of Intent to Submeter or Petition to Submeter was sent from the prospective submeterer to the utility
company providing electric service to the premises to be submetered.

(h) documentation sufficient to establish that the refrigerators in all rental dwelling units are no more than ten years old or meet the most recently adopted federal energy efficiency standards for such appliances.

(i) a description of the electric energy efficiency measures that have been or will be installed.

(j) a description of the information and education programs that have been and will be provided to residents on how to reduce electric usage. Such programs shall include information to all residents before submetering commences as well as supplemental information to residents with above-average electricity usage in the first twelve months after submetering has begun.

(k) When a Notice of Intent to Submeter or Petition to Submeter is made with respect to a premises in which 20% or more of the residents receive income-based housing assistance, such Notice or Petition shall include:

(1) the name of each such assistance program in place at the premises, the agency administrator of each such program, the number of residents receiving assistance under each such program, whether the administrator of such program must approve the proposed submetering at such premises and, if so, when such approval was or may be granted.

(2) the utility allowance or rent reduction applicable to residents pursuant to each such assistance program.

(3) proof that an energy audit by a certified energy consultant has been conducted, a description of the energy efficiency plan for the premises, including, but not limited to, a refrigerator replacement plan, other specific conservation and weatherization measures that have been or will be installed, including those sponsored by the New York State Energy Research and Development Authority and/or other organizations, and information and education programs that have been or will be provided to residents on how to reduce electric usage. If a premises owner or operator has participated in a NYSERDA and/or other program to encourage energy efficiency, the prospective submeterer shall provide formal documentation in its Notice of Intent to Submeter or Petition to Submeter describing the energy efficiency rating its premises has achieved, which appliances will be EnergyStar® rated, and NYSERDA certification that its energy reduction plan is complete.

(l) When a proposed conversion to submetering of an electric heat property or submetering in a new electric heat property is addressed through a Petition to Submeter, such petition shall, unless waived by the Commission for good cause shown, include:

(1) a detailed description of the manner and extent to which electric heat is or will be provided to the residential units subject to submetering.

(2) a demonstration that electricity consumption for heating in dwelling units may be controlled by the resident of each unit by the use of programmable thermostats.

(3) either a forecast based on one year of apartment-level shadow billing or a study of actual submetered data from comparably situated buildings. Such forecast or study shall demonstrate that, when submetering is introduced, more than 60% of residents are expected to pay less, after accounting for savings from energy efficiency measures, energy conservation, and assistance that may be available from the Home
Energy Assistance Program or other energy assistance programs, for the submetered electricity during the first 12 months of electric service than the amount of rent reduction they will receive as a result of the introduction of submetering during this period.

(4) proof that an energy audit by a certified energy consultant has been conducted, a description of the energy efficiency plan for the premises, including, but not limited to, a refrigerator replacement plan, other specific conservation and weatherization measures that have been or will be installed, including those sponsored by the New York State Energy Research and Development Authority and/or other organizations, and information and education programs that have been or will be provided to residents on how to reduce electric usage. If a premises owner or operator has participated in a NYSERDA and/or other program to encourage energy efficiency, the prospective submeterer shall provide formal documentation in its Petition to Submeter describing the energy efficiency rating its premises has achieved, which appliances will be EnergyStar(R) rated, and NYSERDA certification that its energy reduction plan is complete.

(5) when the Petition to Submeter is made with respect to a premises in which at least 25 of the residents receive income-based housing assistance, documentation to establish that the submeterer has registered as a Home Energy Assistance Program (HEAP) vendor. The Commission may require, when necessary, that a submeterer become a HEAP vendor.

(6) Submetering of electric in new premises shall not be subject to the filing requirements of §96.5(1)(3) or (4).

(m) when a Petition to Submeter is for a conversion from direct metering to submetering pursuant to § 96.2(b) of this Part, the Petition shall include a demonstration that the building or complex for which submetering is sought will participate in building level demand response programs or will employ on-site co-generation plant or an alternative, advanced energy efficiency design.

(n) such other or further demonstration, documentation, commitment or information which, in an order issued prior to the date on which such Notice of Intent to Submeter or Petition to Submeter is filed, the Commission shall have identified as necessary to a determination that approval of such Notice or Petition is in the public interest and consistent with the provision of safe and adequate service to residents.

96.6 Electric Submetering Service Conditions.

All submeterers, whether authorized to submeter by Commission order, rule, or past practice, shall provide or continue to provide submetered service under the following conditions unless waived in whole or in part by Commission order for good cause shown:

(a) a condition that submetering shall be in accordance with, as applicable, the Notice of Intent to Submeter, the Petition to Submeter, or similar filings made prior to the effective date of this Part, as authorized by the Commission or as modified by conditions adopted by the Commission as part of its review and approval.

(b) a condition that each submetered residential unit in a multi-unit dwelling must be provided with a submeter or related equipment that allows for the termination of submetered electric service to that unit in the event that termination of such service is consistent with the requirements of HEFFPA.
(1) The requirements of this paragraph shall not apply to submetering of electricity authorized by Commission order prior to January 1, 2016 or which is the subject of a Notice of Intent to Submeter or of a Petition to Submeter, filed with the Secretary prior to January 1, 2014;

(2) When submetering systems installed as of January 1, 2016 are replaced, any newly installed submetering systems shall be capable of service termination.

(c) a condition that the submeterer shall not charge more than the applicable rate cap and that, in the event of charges greater than the applicable rate cap, the submeterer may be directed to provide credits to residents for such overcharges plus interest as consistent with Public Service Law ð118 and 16 NYCRR ð 145.

(d) a condition that the submeterer shall not charge time-of-use rates when the resident has not agreed to be billed using time-of-use rates.

(e) a condition that the submeterer shall comply with the requirements imposed by HEFPA and that the submeterer shall notify residents, in either the lease to which they are a party, through their condominium or cooperative offering plan, or through other individual notice, of the consumer protections afforded the residents by HEFPA, and that the submeterer shall provide such consumer protections.

(f) a condition that the submeterer shall respond to complaints filed with the Department of Public Service and forwarded to the submeterer in accordance with the Department's complaint procedures.

(g) a condition that the lease or other residential dwelling agreement between a submeterer and a submetered resident shall not require or include binding arbitration as a means to resolve submetered service or billing complaints and that in addressing any such complaint the submeterer and the submetered resident shall follow the provisions of 16 NYCRR Part 12 - Consumer Complaint Procedures.

(h) a condition that, at any premises for which submetering of electric service is permitted, but at which, pursuant to ð96.6(c), equipment that is capable of terminating electric service to individual units is not required, the submeterer shall provide, in the event that the submetered resident is in arrears for the payment of charges for electric service, each HEFPA protection associated with the termination of electric service for unpaid charges that would be available to such resident if the submetered resident had been directly metered. Such HEFPA protections shall be provided notwithstanding the fact that the submetering and related equipment does not technically allow for such termination of service. Each protection shall be provided to such resident prior to the commencement of any other civil enforcement, collection, or other proceeding based on such resident's overdue electric charges.

(i) a condition that the submeterer shall update the information contained in the Submeterer Identification Form submitted pursuant to ð96.5(d) of this Part or that is on file with the Department of Public Service by filing with the Department of Public Service notice within ten days of any personnel change.

(j) a condition that the bills to submetered residents be sent within thirty days of receipt of the distribution utility and/or Energy Services company bill for the master-metered service and that the submeterer shall retain billing records for a period of six years beginning with the effective date of this Part.

(k) a condition that cross-wiring (for example, service through a
shared meter) shall not exist at premises that are submetered.

96.7 Electric Submetering Equipment Requirements.

All submeterers, whether authorized to submeter by Commission order, rule, or past practice shall provide or continue to provide submetered service under the following conditions unless waived in whole or in part by Commission order for good cause shown:

(a) all submetering products and ancillary equipment used to monitor electric flow to submetered residents and installed or replaced after January 1, 2014 must:

(1) comply with the provisions of 16 NYCRR Parts 92 and 93; and

(2) be physically compatible with the service endpoints of the premises' electrical system. Submeters shall be equipped with viewable registers, accessible to the resident so the resident may monitor their own kWh consumption or shall provide alternate mechanisms to allow residents to monitor their own consumption such as through a computer program.

(3) submeters that are calibrated to register a fixed fraction of the electricity consumed should display the meter register multiplier which will be used to determine the resident’s actual kilowatt hour usage. Any register multiplier used should be indicated on resident bills.

(b) Ensuring Continued Submeter Performance - submeter inspection and testing programs shall be instituted to ensure that residents of submetered premises continue to receive reliable and accurate electric consumption measurements. The submeterer or submeterer's agent shall conduct an annual testing program to analyze a statistically significant sample of the in-service submeters in accordance with the testing procedures and standards outlined in 16 NYCRR Parts 92 and 93. Submeters that do not meet the requirements of 16 NYCRR Parts 92 and 93 shall be corrected or recalibrated as soon as practicable but no later than 1 year after testing unless otherwise ordered by the Commission.

(c) Cost of Meter Tests for all Submeters - the cost of testing a submeter's accuracy shall be borne by the submeterer to the extent described in this paragraph. A recipient of submetered service may request and receive one submeter test at no cost during a twelve month period when the request is made pursuant to a consumer complaint. A recipient of submetered service may request more than one meter test during a twelve month period and may request that the test be witnessed by Department of Public Service staff; however, if the submeter is not out of the limits as prescribed by Part 92, the person requesting more than one annual test will bear the cost of such additional meter tests.

96.8 Failure to Comply with this Part.

(a) Any failure to submeter in compliance with this Part or 16 NYCRR Parts 92 or 93, as referenced herein, may result in Commission action that (1) rescinds, suspends, limits or stays the submeterer's authorization to submeter electricity, or its authority to render bills to and collect payments from submetered residents; (2) terminates electric service to the submetered premises or orders rebilling, or billing refunds; or (3) results in a penalty action under the Public Service Law or in other Commission enforcement proceedings. Any such actions shall be taken in accordance with the Public Service Law and Commission procedures.

(b) In addition, or in the alternative, a failure to submeter in
compliance with this Part or 16 NYCRR Parts 92 or 93 as referenced herein, may result in up to a 40% reduction of the rate cap. Prior to establishing a reduced rate cap, the Department of Public Service shall:

1. provide to the submeterer a Notice of Alleged Violation stating with specificity the violations(s) of regulations, Commission orders, statute(s) or tariff(s) found after Department investigation as well as the Department's proposed rate cap;

2. Require that the submeterer provide a copy of the Notice of Alleged Violation to residents along with information on how residents may provide comments within 10 days to the Department of Public Service regarding such Notice.

3. Allow the submeterer 15 days from the date of the Notice of Alleged Violation to respond to such notice;

4. Allow the submeterer 20 days from the date of such response or 30 days from the Notice of Alleged Violation to cure the failures identified therein; and

5. Send to the submeterer a Notice of Rate Cap Reduction stating the basis for the rate cap reduction, the level of rate cap reduction and, the date(s) upon which the rate cap reduction shall be in effect. The rate cap reduction shall be in effect no less than 20 days after the Notice of Rate Cap Reduction.

(c) Any rate cap reduction implemented by the Department of Public Service pursuant to ð96.2(a)(2) (rate cap) of this Part may be appealed to the Commission within 15 days of the Notice of Rate Cap Reduction. Any such appeal will toll the period during which a Department rate cap reduction will be in effect.

(d) By undertaking to submeter pursuant to a Commission Order granting a Notice of Intent to Submeter or a Petition to Submeter issued under this Part or by continuing to submeter, the submeterer shall have consented to the jurisdiction of the Commission to impose the enforcement remedies (1) described in this Part or (2) described in the Public Service Law and applicable in the event a company, corporation or person fails to obey and comply with a provision of the Public Service Law, or a regulation or order of the Commission applicable to it.

96.9 Severability.

If any provision of this Part is adjudicated invalid by a court of competent jurisdiction, such invalidity shall not affect the other provisions which can be given full effect without the invalid provision(s).

97.1 Definitions

For the purposes of this Part, the following definitions shall apply:

(a) Interruption. An interruption is the loss of service for five
minutes or more, for one or more customers, which is the result of one or more component failures. For example, a downed house service is one interruption; a burned 69 kV tap that results in outages of several 13 kV primary and branch circuits that in turn cause service interruptions in one interruption; one disconnected hot leg of a tri-plex house service, i.e., a "half-light" condition, is one interruption.

(b) Component. A component is a piece of equipment, a line, a section of line, or a group of items which is an entity for purposes of reporting, analyzing and predicting interruptions.

(c) Major storm. A major storm is a period of adverse weather during which service interruptions affect at least 10 percent of the customers in an operating area and/or result in customers being without electric service for durations of at least 24 hours.

(d) Customer. A customer is any electrical service point for which a separate bill is rendered (i.e., each meter represents a customer).

(e) Duration. Duration (reported in customer-hours) is the five-minute or greater period from the initiation of an interruption to a customer until service has been restored to that customer. Total duration is the sum of the durations in that period. Sufficient data should be kept on each interruption to be able to express the duration in customer minutes.

(f) Customers affected. A customer is affected by an interruption if that customer's electrical service is interrupted.

(g) Average number of customers served. The average number of customers served shall be the number of active metered customer accounts as of the last day of the prior year or the last day of the prior month for which electric sales revenue would be recorded under Uniform System of Accounts 440, 442, 445, 446 and 448.

97.2 Data requirements.

Each electric corporation and municipality subject to the commission's jurisdiction shall maintain service interruption records that contain at least the following information for each service interruption of five minutes or more:

(a) the operating area in which the interruption occurred;
(b) the circuit name or number affected; the location affected;
(c) the date and time of the interruption (or report of the interruption if the actual time is not known);
(d) the date and time service was restored;
(e) the duration of the interruption;
(f) the number of customers (billing units) affected by the interruption;
(g) the cause of the interruption;
(h) the weather condition at the time of the interruption; and
(i) the system component (e.g., overhead primary main, underground radial secondary, underground network primary main, transformer, etc.) involved.

97.3 Retention of records.

Each such electric corporation and each municipality shall maintain for at least six years a record of each interruption of service to its customers (other than public street and highway lighting customers and sales to other utilities) having a duration of five minutes or more. Said corporation or municipality shall make such records available for
inspection by the department's staff and shall, when requested, provide the staff with information. These records shall be kept in a computerized form.

97.4 Filing requirements.

Each Class A electric corporation is required to file with the commission in the manner hereinafter set forth summary reports of service interruptions. Said reports shall be filed with the commission monthly, not later than the 20th of the month following the month for which the report is rendered. Corporations with multiple operating areas shall submit both corporate-wide summary reports and individual operating area summary reports in one combined filing.

97.5 Information to be contained in reports.

(a) Such reports shall provide the following:

1. the name of the electric corporation;
2. the name of the operating area for which the report is applicable;
3. the month for which the report is rendered;
4. the number of interruptions (divided according to interruption causes--see subdivision (c) of this section for cause definitions) of service for five minutes or longer to customers (other than public street and highway lighting customers and sales to other utilities) during the reporting month;
5. the total durations in customer-hours of those interruptions;
6. the approximate total number of such customers (billing units) affected thereby; and
7. the average number of such customers (billing units) served.

(b) Each report shall have two sections--one section with data for the month being reported and one section with data for the year-to-date. Subdivision (c) of this section provides an illustration of a form.

(c) Sample form--monthly electric service interruption report.

<table>
<thead>
<tr>
<th>Electric Corporation</th>
<th>Reporting Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>Report for Month of</td>
<td>Reporting Area</td>
</tr>
<tr>
<td>Report for Year to End of</td>
<td></td>
</tr>
</tbody>
</table>

Total

<table>
<thead>
<tr>
<th>No. of Interruptions</th>
<th>Duration (Cust.-Hrs.)</th>
<th>Customers Affected</th>
</tr>
</thead>
<tbody>
<tr>
<td>I.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Major Storms</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Tree Contacts</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Overloads</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Operating or Working Errors</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Apparatus or Equipment Failures</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Accidents or Events Not Under the Utility's Control</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7. Prearranged</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8. Customer's Equipment or Failures</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9. Lightning</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10. Unknown or Unclassified</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
TOTALS (Causes 1-10)

II. AVERAGE NUMBER OF CUSTOMERS SERVED AS OF PRECEDING MONTH OF:________ OF YEAR: __________ OR PRECEDING YEAR:_____ 

III. UNUSUAL EVENTS DURING PERIOD:__________________________________
____________________________________________________________________

IV. OTHER COMMENTS:_________________________________________________
____________________________________________________________________

Date              Authorized Signature

NOTES:
1. Utilities with network systems serving ten percent or more of the operating area's load must complete page 2 and use page I for reporting only radial system interruptions and radial customers served. Utilities with smaller network systems may opt to separate data if desired.

<table>
<thead>
<tr>
<th>CAUSES OF NETWORK</th>
<th>Total</th>
<th>No. of</th>
<th>Total</th>
<th>No. of</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Interruptions</td>
<td>Duration</td>
<td>Customers Affected</td>
<td></td>
</tr>
<tr>
<td></td>
<td>___________</td>
<td>___________</td>
<td>___________</td>
<td></td>
</tr>
</tbody>
</table>

V. TOTALS (Causes 11-17)

VI. AVERAGE NUMBER OF NETWORK CUSTOMERS SERVED AS OF DECEMBER 31 OF PRECEDING YEAR:___________________

NOTES:
1. Only utilities with network distribution systems serving ten percent or more of the operating area's load must complete page 2. Page 1, Sections I and II, should then be used for reporting only radial system interruptions and radial system customers served. Utilities with smaller network systems may opt to separate data if desired.

Classifications of Electric Service Interruption Causes and Definitions

1. Major Storms
   Interruptions resulting from a major storm. Interruptions occurring at a time of routine adverse weather should not be reported to this classification. See definition for major storm.

2. Tree Contacts
   Interruptions resulting from conductors or energized equipment coming in contact with a tree (or vice versa), except when the tree or a limb is felled by lightning or by an employee, contractor or customer. An interruption caused by a tree or limb felled by a utility employee or utility contractor shall be reported under Classification 4; if felled
by a customer or a nonutility contractor, Classification 6 shall be used; if felled by lightning, Classification 9 shall be used.

3. Overloads
Under this heading, report interruptions from the blowing of a transformer and/or line fuse through overload. If the interruption is the result of increased or abnormal customer loads or generation for which the customer is required to notify the utility, but failed to do so, Classification 8 should be used instead.

4. Operating or Working Errors
Under this heading, report interruptions resulting from errors by utility or utility contact personnel (including the improper or substandard installation or design of facilities or the installation of improper equipment; e.g., undersized fuses, improper relay settings, etc.). An interruption caused by a utility's employee or contractor dropping a limb on a conductor shall be reported here. If the limb were dropped by a customer or nonutility contractor, Classification 6 shall be used.

5. Apparatus or Equipment Failures
Under this heading, report interruptions resulting from the breakdown or failure of otherwise properly selected, installed, and protected equipment and facilities; e.g., transformer failures (not due to external factors), broken poles or crossarms, faulty protective devices, cracked (not by gun fire) or contaminated insulators, defective cutouts, crossed or broken line and tie wires (not caused by tree contacts or lightning), improper relay operations, substandard conditions that were not present when the facilities were initially installed (e.g., slack conductors, etc.).

6. Accidents or Events Not Under Utility's Control
Under this heading, report interruptions resulting from events not under the control of the utility or its employees or contractors, such as house fires not caused by the utility's service; gun fire; crane contacts; automobile accidents; squirrel, bird, or other animal contacts; sabotage; customer tree fellings; etc. (Lightning interruptions should be reported under cause Classification 9 even though they may not be under the utility's control. Interruptions caused by failures of apparatus and equipment shall be reported under Classifications 5 and 8 even though the failures may not be the utility's fault. Tree or limb falling interruptions caused by the utility's employees or contractors should be classified under item 4. Those caused by a customer or a nonutility contractor shall be classified here.)

7. Prearranged
Under this heading, report interruptions resulting from actions deliberately taken by the utility upon advance notice to the customers affected (prearranged). Deliberate interruptions (lasting at least five minutes) without prior notice to the customers affected shall be reported under the classifications most directly related to the reasons the outages were needed. They shall be considered part of a forced interruption when they take place during emergency conditions to facilitate restoration.

8. Customer's Equipment or Failures
Under this heading, report interruptions resulting from the failure of a customer's equipment or from a failure of the customer to take required action such as failure to notify the utility of an increase in
load when required by agreement or tariff to do so. The customer's problem must cause an interruption to other customers or cause a problem on the utility system (e.g., blown fuse) to be reportable.

9. Lightning
Under this heading, report interruptions caused by lightning, including those resulting from either direct strikes or indirect immediate effects of lightning, on transformers, oil switches, cutouts, etc., so long as the equipment hit or indirectly affected was in proper condition prior to the lightning. An interruption resulting from a lightning strike to a tree limb that then comes in contact with or knocks down conductors should be included here.

10. Causes Unknown or Unclassified
Under this heading, report interruptions for which the cause is unknown or for which none of the other classifications is appropriate. This classification shall not be used if an investigation could determine the proper cause of an interruption for which one of the other classifications would be more appropriate.

(Utilities with network systems serving ten percent or more of the load in an operating district shall use the following classifications for reporting interruptions to network customers.)

11. Service Connections
Under this heading, report network service interruptions resulting from grounds, short circuits, or broken conductors on service connections.

12. Street Mains Cable
Under this heading, report network service interruptions resulting from grounds, short circuits, or broken conductors on secondary street mains cables.

13. Apparatus or Equipment Failures
Under this heading, report network service interruptions resulting from the breakdown or failure of otherwise properly selected, installed, and protected equipment and facilities; e.g., transformer failures (not due to overloads or other external factors), faulty splices, insulation or protective devices, defective cutouts, improper relay operations, substandard conditions that were not present when the facilities were initially installed. Also report interruptions caused by network primary failures under this classification.

14. Accidents or Events Not Under the Utility's Control
Under this heading, report network service interruptions resulting from events not under the control of the utility or its employees or contractors, such as dig-ins, sabotage, etc. Interruptions caused by failures of apparatus and equipment are reported under Classifications 13 and 16 even though the failures may not be the utility's fault.

15. Prearranged
Under this heading, report network service interruptions resulting from actions deliberately taken by the utility upon advance notice to the customers affected (prearranged). Deliberate interruptions (lasting at least five minutes) without prior notice to the customers affected shall be reported under the classifications most directly related to the reasons the outages were needed. They shall be considered as part of a forced interruption when they take place during emergency conditions to facilitate restoration.

16. Customer's Equipment or Failures
Under this heading, report network service interruptions resulting
from the failure of a customer's equipment or from a failure of the customer to take required action, such as failure to notify the utility of an increase in load when required by agreement or tariff to do so.

17. Causes Unknown or Unclassified

Under this heading, report network service interruptions for which the cause is unknown or for which none of the other classifications is appropriate. This classification should not be used if an investigation could determine the proper cause of an interruption for which one of the other classifications would be more appropriate.

PART 98

GENERAL PROVISIONS RELATING TO THE EXTENSION OF FACILITIES BY ELECTRIC CORPORATIONS AND MUNICIPALITIES

(Statutory authority: Public Service Law, ð31(4), 51, 65(1), 66(1))

Sec.

98.1 Definitions

98.2 Provision of electric service

98.3 Charges for providing additional facilities and for acquiring rights-of-way

98.4 Facilities beyond public rights-of-way

98.5 Facilities within public rights-of-way

98.6 Reports

98.7 Information on line extension costs

Section 98.1 Definitions.

Unless the context otherwise requires, as used in this Part and Parts 99 and 100 of this Title:

(a) The term distribution line means an electric line used to distribute electric energy, which will or may reasonably be expected to provide service to more than one customer.

(b) The term supply line means a part of a distribution line that is installed between an existing electric distribution system and an underground distribution line within a residential subdivision.

(c) The term service line means an electric line used to connect a distribution line to an individual customer's meter or point of attachment; a service line, at the utility's discretion, may be connected to two or more meters at a single premises.

(d) The term appurtenant facilities means the necessary and ancillary accessories to an electric line that enable the transportation and distribution of electric energy.

(e) The term applicant means a developer, builder, person, partnership, association, corporation or governmental agency requesting the provision of electric service either:

(1) at a premises to be used as his or her residence (residing applicant);

(2) in a residence to be used by others (non-residing applicant), provided, however, that a governmental agency applying for service on behalf of a client, who would otherwise be a residing applicant, shall be treated as a residing applicant; or

(3) at a non-residential premises;

(f) The term residential building means a structure enclosed within exterior walls or fire walls, which is built, erected and framed of component structural parts and is designed for permanent residential occupancy.
(g) The term multiple occupancy building means a structure (including row houses) enclosed within exterior walls or fire walls, which is built, erected and framed of component structural parts and is designed to contain four or more individual dwelling units for permanent residential occupancy.

(h) The term residential subdivision means a tract of land divided into five or more lots for the construction of five or more new residential buildings, or the land on which new multiple occupancy buildings are to be constructed, the development of either of which, if required, has been approved (or was required to be approved) by governmental authorities having jurisdiction over land use, which authorities include:

1. the Department of State, pursuant to article 9-A of the Real Property Law;
2. the Department of Environmental Conservation, pursuant to article 15, Titles 5, 15 and 27, article 17, Title 15, and article 24 of the Environmental Conservation Law;
3. the Adirondack Park Agency, pursuant to sections 809 and 810 of the Executive Law and article 15, Title 27, and article 24, of the Environmental Conservation Law;
4. any Department of Health, pursuant to article 11, Title 2, of the Public Health Law;
5. counties, pursuant to section 239-d(7) of the General Municipal Law;
6. cities pursuant to sections 32, 33, and 34 of the General City Law;
7. villages, pursuant to sections 7-728, 7-730 and 7-732 of the Village Law; and
8. towns, pursuant to sections 276, 277 and 278 of the Town Law;

(i) The term public R/W means the area within the territorial limits of any street, avenue, road or way that is for any highway purpose under the jurisdiction of the State of New York or of the legislative body of any county, city, town or village that is open to public use and that may be used for the placement of utility facilities.

(j) The term R/W (right-of-way) means a right to pass over, occupy or use another's land for placing and maintaining utility facilities.

(k) The term new construction means the installation of new electric distribution lines, service lines and appurtenant facilities on any R/W where no such electric distribution line exists, and may also include (in connection with such installation) the addition of appurtenant facilities (other than replacement facilities) to existing distribution lines.

Note: The installation of a new facility parallel to and on the same R/W as an existing underground facility also constitutes the new construction of such facility.

(l) The term VSR means a visually significant resource which is:
1. designated primarily or exclusively because of its exceptional, outstanding, significant, special or unique scenic quality pursuant to State or Federal enabling legislation; and
2. listed in section 99.2(h) of this Title;

(m) The term Commission means the Public Service Commission of New York State; and

(n) The term utility means an electric corporation or a municipality subject to the jurisdiction of the Commission.
98.2 Provision of electric service.

(a) Obligation to provide electric service. When a written request for service is made to a utility by an applicant whose property abuts on, or has access to, any public R/W (other than a controlled access highway) in which the governmental authority having jurisdiction will permit the utility to install and maintain facilities, the utility shall:
   (1) render the service requested in accordance with the provisions of this Part and Parts 99 and 100 of this Title;
   (2) furnish, place, construct, operate, maintain and (when determined to be necessary by the utility or the Commission) reconstruct, or replace all electric facilities within public R/W and other R/W when the utility elects to use such R/W in lieu of constructing facilities within public R/W, at its own cost and expense, subject to the provisions of this Part, and Parts 99 and 100 of this Title, which cost and expense shall include the amounts paid to governmental authorities for permits to do the work required and any additional amounts paid for the right(s) to make such elective use of other R/W; and
   (3) grant the appropriate footage allowance required by the provisions of this Part.

(b) Obligations of all applicants. Before service may be rendered to any applicant, such applicant shall first have:
   (1) Either:
      (i) delivered to the utility, free from cost, any necessary R/W agreement(s); or
      (ii) paid in advance or agreed in writing to pay the utility any charge relating to the utility's acquisition of the necessary R/W agreement(s), so long as the applicant indicates to the utility in writing that he or she has been unable to obtain such agreement(s);
   (2) paid or agreed in writing to pay the utility the material and installation costs relating to any portion of distribution line, service line and appurtenant facilities (other than those accounted for in Uniform System of Accounts 368, entitled "Line Transformers" and 370, entitled "Meters," in Subchapter F of this Title) that exceeds the portion which the utility is required to provide without contribution, which costs shall be defined in the utility's tariff;
   (3) furnished reasonable security as to the performance of his or her agreement, if required to do so by the utility in accordance with its tariffs.

(c) Obligations of residing applicants. Before service is rendered to a residing applicant, such applicant shall first have:
   (1) assured the utility that he or she will be a reasonably permanent customer; and
   (2) agreed in writing to pay the utility the rates charged like customers.

(d) Obligations of non-residing applicants. Before service is rendered to a non-residing applicant, such applicant shall first have:
   (1) cleared any R/W conveyed to the utility of tree stumps, brush and other obstructions and graded such R/W to within six inches of final grade at no charge to the utility, where electric distribution lines, service lines, or appurtenant facilities are required to be installed underground or will be placed underground at the request of the applicant;
   (2) provided a survey map certified by a licensed professional
engineer or land surveyor and certified to as final by the applicant, showing the location of each dwelling (if known), lot, sidewalk and roadway, if requested to do so by the utility;

(3) placed and agreed to continue to maintain survey stakes indicating grade and property lines;

(4) furnished to the utility or agreed to furnish a map showing the location of all existing and proposed underground facilities, as soon as the location of such facilities is known; and

(5) agreed to maintain the required clearance and grading during construction by the utility.

(e) Provision of required residential underground service. Where a utility is required, by the Commission or a governmental authority having jurisdiction to do so, to provide residential underground service, the cost and expense which a utility must bear, except as otherwise provided in this Part, shall include the material and installation costs for up to a total of 100 feet of underground distribution line (including supply line) and underground service line per dwelling unit served, measured from the utility's existing electric system (from the connection point on the bottom of the riser pole for overhead to underground connections) to each applicant's meter or point of attachment with respect to each residential building. If a utility receives an application for underground residential service outside a subdivision, and a governmental authority having jurisdiction to do so has required that the facilities be installed underground, the utility may, if the cost of installing the necessary facilities will be greater than two times the cost of installing such facilities calculated using the applicable charges per foot filed pursuant to section 98.6(b) (1) of this Part and as set forth in the utility's tariff, petition the Secretary of the Commission to allow a greater contribution to the cost of installation of the facilities than this section would otherwise require, or to set up a special rate district. The petition shall set forth the relevant economic, engineering, or environmental factors. If the necessary facilities are proposed to be in a VSR, the procedures set forth in section 99.2(b)-(e) of this Title shall apply. If the building to which service is requested is located within the Adirondack Park, the utility shall send a copy of the petition to the Adirondack Park Agency. Where the application is for service to a multiple occupancy building, the utility shall bear the material and installation cost for up to 100 feet of underground line times the average number of dwelling units per floor.

(f) Provision of non-mandatory residential underground service. Where an applicant requests a residential underground service line in situations other than those described in subdivision (e) of this section, the cost and expense which a utility must bear shall include the material and installation costs equivalent to those relating to the length of overhead service line which the applicant would otherwise be entitled under subdivision (g) measured from the utility's existing electric system (from the connection point on the bottom of the riser pole for overhead to underground connections) to each applicant's meter or point of attachment with respect to each residential building.

(g) Provision of residential overhead service. Where permitted to provide residential overhead service, the cost and expense which a utility must bear shall include the material and installation costs for up to 500 feet of overhead distribution line and up to 100 feet of
service line or up to 300 feet of overhead distribution line and up to 100 feet of service line for single-phase and three-phase service respectively, measured as described in subdivision (e) of this section.

(h) Provision of elective residential and non-residential underground service. Where a utility chooses to provide residential or non-residential underground service, the cost and expense which a utility must bear shall include the material and installation costs relating to the necessary utility facilities that exceed the amount which the applicant would be required to pay if such facilities were installed overhead.

(i) Provision of mandatory or non-mandatory non-residential underground service. Where requested to provide a non-residential underground service line by an applicant, or where a governmental authority having jurisdiction to do so requires undergrounding, the cost and expense which a utility must bear shall include the material and installation costs equivalent to those contained in the utility's tariff in connection with the provision of overhead service.

(j) Provision of non-residential overhead service. Where permitted to provide non-residential overhead service, the cost and expense which a utility must bear shall include the material and installation costs for up to 500 or 300 feet of overhead distribution line, for single-phase and three-phase service, respectively.

(k) Matters reserved to utilities' tariffs. This subdivision sets forth the minimum obligations of utilities with respect to the electric facilities required to be provided without charge to or contribution by, applicants. Each utility may file, for the Commission's approval, tariff schedules to provide rules for installing, maintaining, repairing and replacing service lines and appurtenant facilities, subject to the requirements of section 100.1(d) of this Title for residential subdivisions, or to extend such minimum obligations so long as the provision of additional facilities without such charge or contribution is cost justified. Such rules will be approved based on cost justification. Each service line on the applicant's property which runs to the applicant's building shall be installed either by the utility, or by the applicant in accordance with the utility's specifications, as the utility may elect and in accord with the utility's tariff, provided, however, that the utility's tariff must permit an applicant for underground service at least to excavate the trench necessary for the underground installation of distribution and service lines within a residential subdivision in accord with section 100.1(d), and provided, further, that allocation of the costs of installation of overhead or underground service lines shall be determined in accordance with this section regardless of who installs the service line. Unless required to do otherwise by a governmental authority with jurisdiction, a utility may choose whether to underground or pad mount transformers.

(l) To the extent practicable, underground electric, communication, and cable television facilities shall be installed in a common trench when new construction is, or can without undue difficulty, be made simultaneously. Every reasonable effort shall be made to use joint occupancy utility poles to accommodate the installation of electric, communication and cable television facilities when new overhead construction occurs.

(m) Low income applicants.
(1) in the case of an applicant for service to a primary residence,
who at the time of application is a Home Energy Assistance Program recipient pursuant to Title 18 NYCRR Part 393, the utility shall pay the cost of the line extension up to 1500 feet, (in addition to the 500-foot allowance), or more if the utility agrees. If an underground extension is required, the utility shall pay the cost equivalent of up to 1500 feet of overhead line extension in addition to the 100-foot underground allowance.

(2) such applicant must own the residential building and real property on which it is located and use it as a primary residence on the effective date of these regulations.

(3) such applicant must apply to the utility for a line extension within 24 months of the effective date of these regulations.

(4) a utility, which incurs the cost of the additional extension, may defer the cost in Account 186, Miscellaneous Deferred Debits. This account shall be allowed in rate base in the utility's rate case which follows such deferral.

(5) requests for inclusion in the low income program shall be made in writing to the utility. The utility shall report quarterly to the Department of Public Service the number of requests received and their disposition.

(6) a utility, that receives an application for service under this section, shall propose and pay for alternate sources of energy for the applicant up to the cost the utility would have paid for an additional line extension, if such alternative is less costly and if the applicant agrees. If the applicant does not agree to alternate sources of energy, the utility shall send the application and its proposal to the Department's staff for review. The Department staff shall determine an appropriate resolution based on economic, convenience or environmental factors.

98.3 Charges for providing additional facilities and for acquiring rights-of-way.

(a) If, in order to provide non-residential service or residential service to a non-residing applicant, a utility must install or provide for the installation of distribution lines, service lines and appurtenant facilities, in addition to those required to be provided without contribution under section 98.2 of this Part, the utility shall impose a lump sum charge on the applicant for such facilities that exceed the portion which the utility is required to provide without contribution to the applicant. For a non-residing applicant in a residential subdivision requiring underground service, this lump-sum charge shall be determined by subtracting the total free footage allowance from the total footage of distribution line, service line and appurtenant facilities (other than those accounted for in Accounts 368 and 370) to be installed and multiplying the remaining distribution and service footage by the applicable experienced average cost per foot of the installing utility as reported pursuant to section 98.6(b)(1) of this Part and set forth in the utility's tariff. For an applicant for non-residential service or for a non-residing applicant not in a residential subdivision requiring underground service, the lump sum charge relating to distribution lines, service lines and appurtenant facilities (other than those accounted for in Accounts 368 and 370) shall be determined as set forth in the utility's tariff.

(b) If, in order to provide service to a residing applicant, a utility
must install or provide for the installation of a distribution line, a
service line and appurtenant facilities (other than those accounted for
in Accounts 368 and 370) in addition to those required to be provided
without contribution under section 98.2 of this Part, the utility shall
impose a lump sum charge or a charge subject to the provisions in
subdivision (e) of this section, at the option of the applicant. For a
residing applicant, the lump-sum charge relating to a distribution line,
a service line and appurtenant facilities (other than those accounted
for in Accounts 368 and 370) shall be determined as set forth in the
utility's tariff.

(c) If an applicant for non-residential service or a non-residing
applicant chooses, pursuant to section 98.2(b) (1) (ii) of this Part, to
pay a utility for acquiring the necessary R/W, the utility shall impose
a lump sum charge on the applicant to cover the reasonable actual costs
of acquiring such R/W.

(d) If a residing applicant chooses pursuant to section 98.2(b) (1)
(ii) of this Part to pay a utility for acquiring the necessary R/W, the
utility shall impose on the applicant either a lump sum charge or a
charge subject to the provisions of subdivision (e) of this section, at
the applicant's option, to cover the reasonable actual costs of
acquiring such R/W.

(e) If a residing applicant has chosen not to pay a lump sum amount, a
utility shall impose a surcharge relating to the material and
installation costs of distribution lines, service lines, and appurtenant
facilities (other than those accounted for in Accounts 368 and 370) and
to R/W acquisition costs, subject to the following provisions:

(1) the surcharge shall be applicable for ten years, shall be computed
as specified in individual utility tariffs approved by the Commission
and shall be paid annually or rateably for each billing period;

(2) if more than one customer is to be served from new overhead
distribution lines and the length of the lines requested exceeds such
customers' aggregate entitlement (that is, the number of customers
multiplied by 500 feet or 300 feet -- for single-phase and three-phase
service, respectively) the excess length shall be pro-rated among the
customers for purposes of calculating the surcharge in paragraph (1) of
this subdivision;

(3) after the commencement of service from a new overhead distribution
line whenever the aggregate entitlement of the customers then served
from the line (that is, the number of customers multiplied by 500 feet
or 300 feet -- for single-phase and three-phase service, respectively)
equals or exceeds the length of the distribution line initially
constructed, the surcharge shall terminate as to all customers served
from the distribution line;

(4) whenever the total revenue in each of any two consecutive calendar
years from all customers served from a new overhead distribution line
exceeds 1.5 times the reasonable actual capital cost of the total
distribution line, all surcharges shall cease;

(5) no surcharges shall be imposed if the total estimated revenue in
each of any two consecutive calendar years from all customers served
from a new distribution line exceeds 1.5 times the reasonable actual
capital costs of the total distribution line; and

(6) customers who are currently paying a surcharge may, at their
option convert to a 10-year surcharge, with years and amounts already
paid credited, or be relieved of their surcharge, if their payments meet
or exceed the installation costs of their facilities.

(f) If an applicant on whom a utility has imposed a surcharge, in accordance with subdivision (e) of this section, changes his or her ownership of the residence after the imposition of such surcharge, the utility may collect the remainder of the surcharge from any new successor owner provided the utility provides in its surcharge agreement in bold face type: APPLICANT HEREBY AGREES TO INFORM ALL PROSPECTIVE PURCHASERS OF THIS PROPERTY THAT A UTILITY SURCHARGE IS IN EFFECT.

(g) If facilities are extended to provide service to a residing applicant who pays a lump-sum charge pursuant to subsection (b) of this section, and other applicants subsequently take service from such facilities within ten (10) years, the first residing applicant shall receive a refund in accordance with each utility's tariff.

(h) If a non-residing applicant has paid a lump-sum charge pursuant to subdivision (a) of this section and if, after the underground distribution system construction is completed, additional dwelling units are constructed and take service from such system within the residential subdivision boundaries as defined on the map submitted pursuant to section 98.2(d) of this Part, the utility shall recalculate the charge paid pursuant to subdivision (a) of this section as if the additional dwelling unit(s) had been constructed at the time of the utility's original construction within the residential subdivision and make an appropriate refund of such charge without interest. Any portion of the charge remaining unrefunded five years after the date on which the utility is first ready to render service from the distribution system shall be retained by the utility and credited to the appropriate plant accounts.

(i) Where a residing applicant has chosen to pay a surcharge pursuant to subdivision (b) of this section, such applicant shall at any time, have the option of paying the outstanding balance in a lump sum.

SO DOC 16A-98.4

98.4 Facilities beyond public rights-of-way.

The portion of the electric distribution system and/or electric service line beyond the limits of a public R/W shall be provided, placed, constructed and maintained in accordance with such reasonable rules for the construction and maintenance thereof as may be filed in the tariff schedules of each utility consistent with Parts 100 and 101 of this Title. If a utility installs distribution facilities beyond the limits of a public R/W or an applicant does so pursuant to the utility's tariff, or if a utility installed distribution facilities beyond the public R/W or allowed an applicant to do so in the past, the utility shall maintain, repair and if necessary replace at its own expense such distribution facilities, provided that any necessary easements are provided by the applicant or customer. If a utility installs a service line beyond the limits of a public R/W, the utility shall maintain, repair and if necessary replace such service line, at its own expense, to the same extent that the utility bore the cost of installing the service line, and provided that any necessary easements are provided by the applicant or customer.

SO DOC 16A-98.5

98.5 Facilities within public rights-of-way.

Each utility shall hereafter be solely responsible for the maintenance and replacement of all facilities placed within a public R/W (or another R/W when such utility elects to use another R/W for the construction of
distribution lines in lieu of constructing facilities in a public R/W) used by such utility for supplying electricity to its customers. If adequate maintenance requires the reconstruction or replacement of such facilities, they shall be reconstructed or replaced by the utility responsible for maintenance as hereinbefore provided.

98.6 Reports.

(a) By no later than May 1st of each year, each utility shall file a report containing the information required by this section based on pertinent construction experience from a 12-month period ending no more than four months before the date on which the utility files its report.

(b) As part of the report required by subdivision (a) of this section, each utility shall provide with respect to underground residential subdivisions:

1. the average cost per foot of each of the following, based on all such facilities (including appurtenant facilities other than those accounted for in accounts 368 and 370) installed underground for residential subdivisions, as set forth in the utility's tariffs:
   (i) all underground supply line;
   (ii) all underground distribution line (within such subdivisions); and
   (iii) all underground service line.
2. the length of distribution trench in new residential subdivisions shared with others;
3. the utility's average cost per foot of such shared distribution trench;
4. the total length of distribution trench in new residential subdivisions not shared with others;
5. the utility's average cost per foot of such nonshared distribution trench;
6. the total length of supply lines placed underground between existing electric systems and new residential subdivisions;
7. the utility's average cost per foot of such supply lines placed underground;
8. the total length of supply lines placed aboveground between existing electric systems and new residential subdivisions;
9. the utility's average cost per foot of such supply lines placed above-ground;
10. the total number of service lines installed by the utility in new residential subdivisions (If the utility does not install underground service lines, indicate this and provide the total dollar amount of the credit allowed by the utility);
11. the total length of service lines installed by the utility;
12. the total cost of service lines installed by the utility; and
13. the average cost per foot of service lines installed by the utility in new residential subdivisions;
(c) As part of the report required by subdivision (a) of this section, each utility shall provide the information required by subdivision (e) of this section for:
1. overhead and underground distribution lines and service lines installed in VSRs;
2. underground distribution lines and service lines installed in areas which are both outside VSRs and residential subdivisions, on a statistical sampling basis, as set forth in each utility's report; and
3. overhead distribution lines and service lines installed in areas
which are both outside VSRs and residential subdivisions, on a statistical sampling basis, as set forth in each utility's report.

(d) As part of the report required by subdivision (a), each utility shall provide:
   (1) a frequency distribution of customers by footage interval of no more than 50 feet, of the samples described in paragraphs (c) (2) and (3) of this section;
   (2) an indication of how much it spent of its maximum obligation described in section 99.2(a) of this Title.
   (e) The annual report to the Commission shall include information for overhead and underground lines in the following format:
      (1) No. of service lines capitalized:
         (i) VSR;
         (ii) Non-VSR outside residential subdivision.
      (2) Total length of service lines in (1) of this subdivision:
         (i) VSR;
         (ii) Non-VSR outside residential subdivisions.
         If the utility does not install underground service lines, indicate this and provide for service lines paid for by the utility, and the credit allowed by the utility.
      (3) Total cost of service lines in (2) of this subdivision:
         (i) VSR;
         (ii) Non-VSR outside residential subdivisions.
      (4) Cost per foot of service line (paragraph (3) divided by paragraph (2)) of this subdivision:
         (i) VSR;
         (ii) Non-VSR outside residential subdivisions.
      (5) Total length of distribution line capitalized:
         (i) VSR;
         (ii) Non-VSR outside residential subdivisions.
      (6) Total cost of distribution line in paragraph (5) of this subdivision:
         (i) VSR;
         (ii) Non-VSR outside residential subdivisions.
      (7) Cost per foot of distribution line (paragraph (6) divided by paragraph (5) of this subdivision):
         (i) VSR;
         (ii) Non-VSR outside residential subdivisions.
         Note: The above information regarding underground and overhead distribution and service lines outside VSRs and residential subdivisions is provided on a statistical sampling basis in accordance with subdivision (c) of this section.
   (f) A copy of the information sheet, required by section 98.7(a) of this Part, shall be included in the report required by this section.

PART 99

NEW CONSTRUCTION OF DISTRIBUTION LINES, SERVICE LINES, AND APPURTENANT FACILITIES IN CERTAIN VISUALLY SIGNIFICANT RESOURCES OUTSIDE RESIDENTIAL SUBDIVISIONS
Sec. 99.1 Applicability

99.2 Procedures and requirements

Section 99.1 Applicability.

(a) The requirements of section 99.2(a) of this Part apply to the new construction of distribution lines, service lines and appurtenant facilities (other than pursuant to either the provisions of Part 100 of this Title that require underground construction, or to the requirement of any other governmental authority having jurisdiction to require underground construction) on public and private land in VSRs where an agency referred to in section 99.2(h) of this section:

(1) has no statutory authority to require the underground construction of a particular distribution line, service line or appurtenant facility; and

(2) has supplied to the affected utility(ies) and to the Commission a map of the particular VSR (at a scale appropriate to such VSR) showing its boundaries in sufficient detail to permit the utility to comply with the requirements of this Part.

(b) Notwithstanding the provisions of this Part, where any telephone company has been permitted to install a distribution or feeder facility necessary to furnish permanent telephone service overhead in a particular VSR, in accordance with the procedures set forth in section 608.2 of this Title, a utility may install a distribution line, service line or appurtenant facilities necessary to furnish permanent electric service overhead using the poles which were used for the telephone facility.

(c) This Part shall remain in full force and effect for a period of five years after its effective date.

Section 99.2 Procedures and requirements.

(a) Each utility shall allocate annually to a VSR undergrounding fund an amount equal to the greater of:

(1) the average of its annual expenditures on the underground installation of new underground distribution lines, service lines or appurtenant facilities within residential subdivisions for the years 1985, 1986 and 1987; or

(2) 0.14 percent of its 1987 sales to ultimate customers. The amount to be allocated to the fund shall be adjusted for inflation each year according to the Handy-Whitman Index. The amount in the fund is the company's maximum obligation in a given year. Each utility shall install or provide for the installation of new underground distribution lines, service lines or appurtenant facilities under this Part unless it has expended its maximum obligation in a given year. Each utility shall spend up to such maximum obligation on the cost of installing such facilities underground that exceeds what an applicant for a line extension would have paid for facilities had the area not been designated as a VSR.

Note: For example, for a 120-foot line of single phase service to a residential applicant in a VSR, with an overhead construction cost per foot of $5 and underground construction cost per foot of $20, the total cost of overhead construction would be $600 and undergrounding $2400. Overhead construction
with a 500-foot allowance would cost the utility $600 ($5.00 per foot times 120 feet) and the applicant would pay nothing. If the utility had not spent its maximum obligation and undergrounding is appropriate, the utility would pay a total of $2,400 from the VSR maximum obligation fund. The applicant would pay nothing.

For a 700-foot line, under the same circumstances assuming the same costs, the total cost of overhead construction with a 500-foot allowance would cost the utility $2500 ($5.00 per foot times 500 feet) and the applicant would pay $1,000 ($5.00 per foot times 200 feet). If the utility had not spent its maximum obligation, and undergrounding was appropriate, the utility would pay a total of $13,000 from the maximum obligation fund.

The applicant would pay $1,000.

If a utility spends in excess of its maximum obligation in a particular year, the excess shall reduce its maximum obligation of the following year by the amount of such excess. After a utility spends its maximum obligation in a particular year, additional VSR undergrounding is not required in that year. If a utility does not spend its maximum obligation in a given year, any unspent portion shall be carried over to the next year.

(b) In addition to other procedures which may apply in connection with the proposed construction of a particular distribution line, service line or appurtenant facilities:

(1) if a utility has not expended its maximum obligation as described in subdivision (a) of this section in a particular year when it chooses to propose or receives a written application for service to a premises which necessitates the new construction of a distribution line, service line or appurtenant facilities on public or private land in a VSR, the utility shall provide a written report to the agency which designated or administers the VSR, any agency having jurisdiction over affected public land and the Commission, of its intention to install, or provide for the installation of, the necessary facilities underground or overhead (including a project description and consideration of the factors set forth in subdivision (j) of this section), at least 60 days before construction is planned to commence;

(2) notwithstanding the provisions of paragraph (1) of this subdivision, a utility may provide the written report described therein within 30 days after the commencement of construction if the necessary distribution line, service line or appurtenant facilities are installed overhead on a temporary basis, pending the review of the utility's report if the visual impact of the temporary service is mitigated, to the extent appropriate, after the procedures of this section are followed;

(3) notwithstanding the provisions of paragraph (1) of this subdivision, a utility may install permanent overhead facilities if the utility, before installation:

(i) determines that the situation is an emergency;

(ii) obtains the written approval of the appropriate agency(ies); and

(iii) upon written request, obtains the written approval of the secretary of the commission.

(4) if undergrounding is otherwise required in a VSR, and if the per-foot cost of installing the necessary facilities will be greater than two times the charge per foot filed pursuant to section 98.6(b) (1)
of this Title and as set forth in the utility's tariff, the utility or the applicant may petition the Secretary of the Commission to allow overhead installation.

Approvals shall be granted or denied based on economic, engineering, environmental, emergency or hardship considerations.

(c) Unless the agency(ies) described in subdivision (b) of this section provide(s) written notification in-hand to both the utility and the Commission objecting to the utility's proposal within 30 days after receipt of the utility's report, the utility may install or provide for the installation of the facilities in question as contemplated in its report. The utility may also proceed as contemplated in its report within such 30-day period if the agency(ies) provide(s) written notification to both the utility and the Commission concurring with the utility's proposal.

(d) If the agency(ies) described in subdivision (b) of this section provide(s) written notification in-hand to both the utility and the Commission objecting to the utility's proposal (including a detailed explanation of such objection) within 30 days after receipt of the utility's report, the Commission shall review the report and notification(s) filed by the utility and the agency(ies).

(e) Unless the Commission serves on the utility an order requiring the installation of the facilities in question to be performed in a different manner than that contemplated by the utility within 30 days after the Commission's receipt of the agencies' notification pursuant to subdivision (d) of this section, the utility may install or provide for the installation of such facilities as contemplated in its report. The utility may also proceed as contemplated in its report within such 30-day period if the Commission serves on it an order concurring with the utility's proposal.

(f) If an agency referred to in subdivision (h) of this section intends to supply a map or maps of a VSR(s) listed in such subdivision to the affected utility(ies) and the Commission, such agency shall consult with such utility(ies) and the Commission's staff as to the appropriate scale(s) and other details of such map(s).

(g) If an agency referred to in subdivision (h) of this section has a VSR map prepared before the effective date of these regulations, such map may be filed with the Commission and utilities without consultation if the map otherwise complies with section 99.1(a) (2) of this Part.

(h) A VSR is:

(i) one of the following resources which is designated as having high scenic quality:

(ii) scenic areas of statewide significance (in coastal areas), designated by the Secretary of State pursuant to article 42 of the Executive Law;

(iii) Adirondack park scenic vistas, designated by the Adirondack Park Agency, identified on the Private Land Use and Development Plan Map and listed in the State Land Master Plan for the Adirondack Park pursuant to article 27 of the Executive Law;

(iv) Scenic roads, designated by the Commissioner of Environmental Conservation pursuant to article 49 of the Environmental Conservation Law;

(v) Scenic districts, designated by the Commissioner of Environmental Conservation pursuant to article 49 of the Environmental Conservation Law;
(v) State and national wild and scenic river areas administered respectively by either the Department of Environmental Conservation or the Adirondack Park Agency pursuant to article 15 of the Environmental Conservation Law, and by the Department of Interior, pursuant to 16 U.S.C. 61271; and

(vi) Areas of exceptional scenic beauty, acquired pursuant to the 1986 Environmental Quality Bond Act and administered by the Department of Environmental Conservation.

(2) any area in one of the following resources which is determined to have high scenic quality by the agency with jurisdiction over the affected resource, as long as such determination is filed with the Commission:

(i) State nature and historic preserve areas designated by the Legislature.

(ii) State parks, which were so designated for their scenic quality by the Legislature, the Department of Environmental Conservation or the Office of Parks, Recreation and Historic Preservation, including the Adirondack and Catskill Parks.

(iii) Lake George Park, except incorporated villages, administered by the Lake George Park Commission, pursuant to article 43 of the Environmental Conservation Law.

(iv) Parks within New York State administered by the Palisades Interstate Park Commission pursuant to article 9 of the Parks, Recreation and Historic Preservation Law.

(v) State historic sites owned by the Office of Parks, Recreation and Historic Preservation under article 19 of the Parks, Recreation and Historic Preservation Law and Title 9 NYCRR Part 384.

(vi) National historic sites, national seashores and national recreation areas located in New York State and operated by the National Park Service.

(i) The listing of VSRs in subdivision (h) of this section constitutes a determination that the new construction of distribution lines, service lines and appurtenant facilities underground is generally more appropriate therein than elsewhere. Neither such listing nor any agency's provision of a map of a given VSR to the affected utility and the Commission, however, shall create a presumption that construction of particular facilities underground is appropriate. The propriety of such construction shall, instead, be determined in accordance with the procedures set forth in subdivisions (b)-(e) of this section.

(j) In evaluating the utility's proposal pursuant to subdivision (e) of this section, the Commission will consider such factors as:

(1) the nature of the visual setting in the vicinity of the proposed construction, including the character of existing or proposed adjacent structures or land areas, unless a governmental authority with jurisdiction has plans to improve the scenic quality of the area in question;

(2) the probable environmental effects associated with both overhead and underground construction;

(3) any expected engineering difficulties associated with both overhead and underground construction; and

(4) the estimated costs associated with both overhead and underground construction.

(k) In the event a utility either intends at its own discretion or is required pursuant to this Part to place a distribution line, service
line or appurtenant facilities underground, it shall inform the telephone company and cable television company serving the area in which the underground construction is to be located. If a new common access route from existing facilities to the location of such underground construction will be used, the portions of the connecting facilities of the utility, the telephone company and cable television company that are located in a VSR shall be placed underground.

(l) A utility shall install any necessary distribution line, service line or appurtenant facilities, with sufficient capacity and using suitable material which, in its judgment, will assure that an applicant receives safe and adequate service. Such installation shall be undertaken as soon as is reasonably possible after compliance with the procedures contained in this Part and shall be made at a time appropriate to render service. Construction shall not be delayed by the utility except where such delay is caused by strikes, fire, flood, inclement weather, unavailability of materials, civil disorders or other conditions beyond the control of the utility.

(m) Any interested agency or person may petition the Commission to add additional categories to the VSR list of subdivision (h) of this section. The Commission will approve or disapprove the addition of a proposed category based on whether the category fits within the VSR definition in section 98.1(l) (1) of this Title.

(n) The VSR program shall be evaluated by the Commission after the program has been in effect for two years. Utilities shall submit to the Department within six months after the program has been in effect for two years, details of their experience with the program including: all locations of line extension construction in VSRs, the total length of all facilities undergrounded in VSRs, costs incurred by the utility, costs incurred by applicants for their share of line extension costs, problems encountered with the program, suggestions for changes in the program or any other information the utility deems relevant to evaluation of the VSR program. The Department of Public Service staff and/or the Commission may request, and the utilities shall provide, any information the Commission or staff deem relevant to evaluation of the VSR program.

PART 100
New Construction of Distribution Lines, Service Lines and Appurtenant Facilities in Residential Subdivisions
(Statutory authority: Public Service Law, ðoo 31(4), 51, 65(1), 66(1))

Sec.
100.1 New construction of underground facilities in residential subdivisions
100.2 Connection from existing electric facilities to residential subdivisions
100.3 Deposits by applicants
100.4 Cooperation by applicants
100.5 Special conditions

Section 100.1 New construction of underground facilities in residential subdivisions.

(a) This Part applies to the new construction of distribution lines, service lines and appurtenant facilities within residential
subdivisions. Nothing in this Part shall be construed to compromise the ability of a state or local agency to require underground facilities in the exercise of its land use or environmental protection authority.

(b) Any distribution line, service line and appurtenant facilities necessary to furnish permanent electric service to one or more multiple occupancy buildings (including four or more dwelling units) shall be installed underground and any such facilities necessary to furnish permanent electric service within a residential subdivision in which it is planned to build five or more new residential buildings shall be installed underground if:

1. the residential subdivision will require no more than 200 trench feet of facilities per dwelling unit planned within the residential subdivision;
2. a utility's tariff provides for such underground service without contribution; or
3. a governmental authority having jurisdiction to do so has required undergrounding; or
4. an applicant requests undergrounding.

Note: The number of dwelling units is the criterion to be used to determine whether installation is required to be underground. In order to ascertain the number of dwelling units, it is necessary to consult the approved subdivision map to determine how dwelling units are planned. Each lot shown on the map should, in the case of a single family dwelling, be considered to contain one dwelling unit unless there is sufficient contrary evidence to render it unlikely that each lot will contain a separate dwelling unit (e.g., a foundation is constructed occupying two lots). The measurement of trench footage should be the shortest distance required to serve the homes within the residential subdivision, consistent with the utility's obligation to provide safe and adequate service.

(c) Upon receipt of a proper application, the utility shall inform the telephone company and cable television company serving the area in which the residential subdivision is located, of the receipt of such application. Upon compliance by the applicant with the requirements of this Part, the utility shall install underground electric distribution lines with sufficient capacity and suitable material which, in its judgment, will assure that the applicant will receive safe and adequate electric service. Such installation shall be undertaken by the utility as soon as is reasonably possible after receipt of a proper application and shall be made at a time appropriate to render service. Construction will not be delayed by the utility so that the applicant will be delayed in the sale or other disposal of the buildings, or lots, except where such delay is caused by strikes, fire, flood, inclement weather, unavailability of materials, civil disorders, or other conditions beyond the control of the utility. No overhead circuits, including street lighting circuits, shall thereafter be installed by a utility within a residential subdivision having underground electric distribution lines.

(d) The utility is permitted to designate the service connection point to a residential building or to a multiple occupancy building and the point at which any service line will connect to the utility's electric distribution line or equipment. Each service line within the lot line and running to the building shall be installed either by the utility, or by the applicant in accordance with the utility's specifications, as the utility may elect and in accord with the utility's tariff, provided,
however, that the utility's tariff must permit the applicant at least to excavate the trench necessary for the underground installation of distribution lines, service lines or appurtenant facilities within the residential subdivision, and provided, further, that allocation of the costs of such installation shall be determined in accordance with § 98.2 regardless of who installs the service line.

(e) A utility may install overhead distribution lines in a residential subdivision or section thereof otherwise required to have underground distribution lines in accordance with subdivision (b) of this section when:

     1) the developer of the residential subdivision is not primarily engaged in the construction of dwelling units within the residential subdivision;

     2) no governmental authority having jurisdiction to do so has required underground service; and

     3) either:

         i) five years have elapsed from the sale of the first lot within the residential subdivision to the first application for installation and the utility has no indication that there will be other new applicants in the residential subdivision within six months; or

         ii) five years have elapsed from the time of final approval of the residential subdivision or section thereof and less than 25 percent of the lots have been sold in the residential subdivision or any section thereof except where 10 percent or more of the lots in the residential subdivision or any section thereof have been sold within the last two years.

Note: The term final approval refers to authorization of a residential subdivision by governmental authorities having jurisdiction. A residential subdivision is finally approved when all necessary governmental consents have been obtained to allow the developer of the residential subdivision to sell lots and/or build residences. If a residential subdivision need only be approved by a County Health Department the final approval of that agency in accordance with its regulations when received is final. If the Town Planning Board must give its consent as well, final approval is not obtained until the Board and the Health Department have completed their processes of authorization. A section of a residential subdivision is the smallest unit of a subdivision given final governmental approval. If, for example, the developer of a subdivision submits a preliminary plan covering 100 lots but initially only 50 are finally approved, the 50 lot portion is a section of the subdivision. If the residential subdivision contains sections, the percentage of lot sales required by condition (3) must be met by every section of the subdivision and not just the section in which the distribution facilities are to be installed. In cases where overhead installation would be permissible in accordance with condition (3) (paragraph (3) of this subdivision), except that less than five years have elapsed and the utility has reason to believe that the residential subdivision will not be developed sufficiently soon to permit the orderly utilization of underground lines installed to serve the initial applicant(s), the utility may petition the Commission to allow overhead installation. Such petition shall set forth the relevant economic, engineering, or environmental factors. The petition shall be granted or denied based on those factors. If the residential subdivision is located within the Adirondack Park, the utility shall
send a copy of the petition to the Adirondack Park Agency.

(f) If a utility receives an application for service within a residential subdivision which is governed by the provisions of subdivision (b) of this section, and the per-foot cost of installing the necessary distribution lines, service lines and appurtenant facilities (other than those accounted for in Accounts 368 and 370) will be greater than two times the cost of installing such facilities as calculated using the applicable charges per foot filed pursuant to § 98.6(b) (1) of this Title and as set forth in the utility's tariff, the utility or applicant may petition the Secretary of the Commission to allow overhead installation. Such petition shall be filed in accordance with the requirements of § 3.5 of this Title and set forth the relevant economic, engineering, or environmental factors. The petition shall be reviewed by staff. The Secretary shall notify the petitioner within 60 days of receipt of the petition either that the petition is granted or that staff objects to it. If staff objects, the petition shall be referred to the Commission for further review. The petition shall be granted or denied based on economic, engineering, or environmental factors. If the residential subdivision is located within the Adirondack Park, the utility shall send a copy of the petition to the Adirondack Park Agency.

100.2 Connection from existing electric facilities to residential subdivisions.

(a) The connection from the existing electric distribution system to the underground distribution lines installed within the applicant's residential subdivision shall be made in accordance with the following requirements:

(1) a utility may, at its discretion and expense, install or provide for the installation of lengths of underground supply line in addition to that portion which is required to be provided without contribution to applicants pursuant to section 98.2 of this Title; and

(2) where any part of a supply line in excess of the footage requirements of section 98.2 of this Title is to be placed overhead, an applicant must submit a written application to the utility at least 75 days prior to the projected commencement of the construction of the supply line, and the utility must report such projected construction to the Commission no later than 45 days before such construction is commenced, the Commission reserving the right to require the underground installation of particular lines, on the basis of the relevant economic, engineering, or environmental factors.

(b) In the event a utility either intends, at its own discretion, or is required pursuant to this Part, to place underground connecting supply lines between an existing electric system and the underground distribution lines installed within an applicant's residential subdivision, it shall inform the telephone company and cable television company serving the area in which the residential subdivision is located. If a new common access route from the existing electric system to the residential subdivision will be used, the connecting supply lines of the utility and the telephone company and cable television company shall be placed underground.

100.3 Deposits by applicants.

(a) In order to guarantee performance, a utility may require from a nonresiding applicant before construction is commenced a deposit equal
to the estimated cost of construction. This deposit is in addition to the applicant's payment of its share of costs for installation and such deposit shall be returned to the applicant with interest, at the rate specified by the Commission for interest on deposits, on a pro rata basis as each new customer is connected with service from the utility.

(b) Any portion of the deposit remaining unrefunded five years after the date the utility is first ready to render service from the underground electric distribution lines shall be retained by the utility and credited to the appropriate plant accounts.

(c) Upon the mutual agreement of both a utility and an applicant, a bond may be posted in lieu of any deposit.

100.4 Cooperation by applicants.

(a) Each applicant shall cooperate with the utility providing service in an effort to keep the cost of the construction and installation of underground electric distribution lines, service lines and appurtenant facilities as low as possible, consistent with requirements for safe and adequate service, including reasonable provision for load growth and requirements of Part 101 of this Title.

(b) The utility may require that all sewers, water facilities, drainage facilities, and curbs be installed before it commences construction within a residential subdivision.

100.5 Special conditions.

(a) This section governs the new construction of distribution lines, service lines and appurtenant facilities performed pursuant to this Part.

(b) In unusual circumstances when the application of this Part appears impracticable or unjust to either party, or discriminatory to other customers, the utility providing service or the applicant may file a petition, in accordance with the requirements of § 3.5 of this Title, for a special ruling or for the approval of special conditions which may be mutually agreed upon before construction is commenced, which petition shall set forth relevant economic, engineering, and environmental factors.

(c) If the utility or the applicant believes that the new construction of underground distribution lines, service lines or appurtenant facilities within a residential subdivision would be less environmentally desirable than the new construction of overhead facilities, it may request that the secretary of the Commission grant an exception. The request shall be sent to the Secretary in accordance with the requirements of § 3.5 of this Title. The request shall:

(1) as between overhead and underground construction, compare the probable environmental effects associated with the residential subdivision and any economic, engineering, or other factors considered pertinent to the case by the utility or applicant to be served;

(2) for those instances where visual values would be diminished by underground construction, indicate factors bearing on probable retention of significant flora, including the utility's practice with respect to trimming trees in the vicinity of the overhead facilities;

(3) be mailed to the Adirondack Park agency, whenever the request will involve construction within the Adirondack Park; and

(4) be reviewed by staff. The Secretary shall notify the utility within 60 days of receipt of the request either that the request is
granted or that it objects to the request. If staff objects, the request shall be referred to the Commission for further review. Requests and petitions shall be granted or denied based on environmental, economic or engineering factors.

(d) Service to a residential subdivision may be supplied overhead under the following circumstances:

(1) if no governmental authority having jurisdiction to do so has required undergrounding and the utility can provide service to the entire subdivision:
   (i) by extending its facilities no more than 600 feet in a cul-de-sac where a portion of the street within the subdivision is served by overhead facilities within or at the entrance of the cul-de-sac;
   (ii) by connecting an area between existing overhead facilities for a distance of 1,200 feet or less;
   Note: In order to determine whether 1,200 feet or more of facilities must be constructed to connect existing overhead facilities, the measurement should be along the route of construction. This will usually be the street within the residential subdivision.

(2) if no governmental authority having jurisdiction to do so has required undergrounding, by installing service lines to new applicants from existing overhead lines.

(e) Where a utility constructs overhead lines because of reasons in paragraph (1) of subdivision (d) of this section, it shall report such overhead construction to the commission quarterly along with a description of the project.

(f) Where a one-pole extension, including but not limited to road crossing pole extensions, would enable an existing overhead distribution line to be connected to a proposed distribution line in a residential subdivision, such extension may be installed overhead, rather than underground.

. SO DOC 16A-PT101
NYCRR

PART 101
UNDERGROUND ELECTRIC FACILITY CONSTRUCTION
(Statutory authority: Public Service Law, ññ 65, 66)

Sec.
101.1 Definitions

101.2 Clearance requirements of new underground electric facilities from gas and liquid petroleum pipelines

101.3 Clearance requirements of subsurface electric facilities constructed to replace existing facilities

101.4 Standards and practices applicable to the construction and environmental management of subsurface electric facilities

. SO DOC 16A-101.1
NYCRR

Section 101.1 Definitions.

When used in this Part, the following definitions apply:

(a) Subsurface electric facilities means all underground cable and/or conduit, transformers and other associated equipment, manholes or any other subsurface structures, including poles and anchors, utilized to furnish electric service and owned or operated by any electric utility company under the jurisdiction of the New York State Public Service Commission.

(b) Gas transmission facilities means gas pipelines that:

(1) transport gas from a production or underground storage facility to a distribution center or underground storage facility;
(2) transport gas within a storage field; or
(3) operate at a pressure of 125 psig or more.

c) Gas distribution facilities means gas pipelines other than gas transmission facilities and includes gas service lines.

d) Liquid petroleum pipeline means a pipeline that either:
   (1) transports liquid petroleum from a production or storage facility to a distribution center or storage facility; or
   (2) transports petroleum within a production field; and
   (3) is certified to operate at a pressure of 200 psig or more.

e) Land used in agricultural production (as defined in Agricultural and Markets Law, section 301), means not less than 10 acres of land used as a single operation in the preceding two years for the production of an average gross sales value of $10,000 or more. For the purposes of this subdivision, whenever a crop is processed before sale, the average gross sales value shall be based upon the market value of such crop in its unprocessed state. Land used in agricultural production shall not include land or portions thereof used for processing or retail merchandising of such crops, livestock or livestock products. Land used in agricultural production shall also include:
   (1) rented land which otherwise satisfies the requirements for eligibility for an agricultural assessment;
   (2) land of not less than 10 acres used as a single operation for the production for sale of crops, livestock or livestock products, exclusive of woodland products, which does not independently satisfy the gross sales value requirement, where such land was used in such production for the preceding two years and currently is being so used under a written rental arrangement of five or more years in conjunction with land which qualifies for an agricultural assessment;
   (3) land used in support of a farm operation or land used in agricultural production, constituting a portion of a parcel, as identified on the assessment roll, which also contains land qualified for an agricultural assessment;
   (4) farm woodland which is part of land which is qualified for an agricultural assessment, provided, however, that such farm woodland attributable to any separately described and assessed parcel shall not exceed fifty acres. For purposes of determining average gross sales value, proceeds from the sale of woodland products from farm woodland eligible to receive an agricultural assessment may be included up to a maximum annual amount of $2000; and
   (5) land set aside through participation in a federal conservation program pursuant to title one of the federal food security act of nineteen hundred eighty-five or any subsequent federal programs established for the purposes of replenishing highly erodible land which has been depleted by continuous tilling or reducing national surpluses of agricultural commodities.

f) Cultivated land (as defined in 1 NYCRR section 370.2 (j)) means land used for growing crops, hay, pasture, and permanent pasture for the preceding two years.

g) Farm operator is a person who owns or leases land used in agricultural production.

h) Double-ditching is a method of separately excavating and stockpiling the topsoil layer (i.e., the A horizon) of a respective soil from the subsoil/substratum layers.

i) Sensitive resources means areas that are likely to be adversely
affected by electric facility construction, including: wetlands; steams; waterbodies; springs; wells; rare, threatened and endangered species habitat; unique old forest stands; officially designated scenic areas; officially designated historical and cultural resources; soil resources contained in cultivated land requiring land management facilities and practices on or below the surface and specialty cropland (i.e., vineyards, apiaries, hop fields, orchards, sugar bush, etc.).

(j) Noise-sensitive uses means those land uses which may be adversely affected by noise; for example, residences, schools, churches, cemeteries, hospitals and outdoor amphitheaters.

(k) Public R/W means the area within the territorial limits of any street, avenue, road or way that is for any highway purpose under the jurisdiction of the State of New York or a legislative body of any county, city, town or village, that is open to public use and that may be used for the placement of utility facilities.

(l) R/W (right-of-way) means a right to pass over, occupy or use another's land for placing and maintaining utility facilities.

(m) Direct buried cable installation by cable plowing means a procedure using specialized equipment which, in a linked sequence of operations, opens soils to the desired depth, places or lays in a utility service cable and replaces the temporarily disturbed surface soil.

101.2 Clearance requirements of new underground electric facilities from gas and liquid petroleum pipelines.

(a) All new subsurface electric facilities shall be constructed with a standard minimum clearance of 12 inches from gas transmission facilities.

(b) All new subsurface electric facilities shall be constructed with a standard minimum clearance of six inches from gas distribution facilities.

(c) All new subsurface electric facilities shall be constructed with a standard minimum clearance of 12 inches from liquid petroleum pipelines.

(d) The standard minimum clearances specified in subdivisions (a), (b) and (c) of this section, when not obtainable through practical means, may be reduced to an absolute minimum of four inches, provided that such reduction is agreeable to all companies involved and that protective materials suitable to all companies are placed between the power and gas or liquid petroleum facilities for the entire length of such reduced clearances.

(e) The standard minimum clearance for underground service laterals shall be four inches from the gas service pipeline. If it is not practical to achieve this clearance, it may be reduced to an absolute minimum of two inches provided that all companies involved agree to the reduction and that suitable protective materials are placed between the gas and power facilities for the entire length of the reduced clearances.

101.3 Clearance requirements of subsurface electric facilities constructed to replace existing facilities.

Whenever subsurface electric facilities are replaced for any reason, the new facilities shall be constructed in accordance with section 101.2 of this Part.
101.4 Standards and practices applicable to the construction and environmental management of subsurface electric facilities.

(a) This section consists of standards and practices which the utilities are expected to follow, to minimize adverse environmental impacts associated with the construction of subsurface electric facilities under Parts 98, 99 and 100 of this Title. In this section, any reference to subsurface electric facilities does not include poles and anchors.

(b) The standards and practices contained in this Part are not intended to supersede the jurisdiction of any federal, state or municipal agency that has permitting or other regulatory requirements intended to protect environmental resources or values which may be adversely affected by the installation of subsurface electric facilities. To accomplish the objectives set forth in this section, each utility shall stay in contact with directly affected landowners and governmental agencies having jurisdiction.

(c) Each utility shall use its best efforts to avoid or minimize, to the maximum extent practicable, any adverse environmental effects associated with the construction (including clearing and site-restoration activities) of subsurface electric facilities by:

1. limiting clearing of trees, shrubs and landscaped areas in accordance with safe construction, operating and maintenance practices;
2. minimizing off R/W impacts by confining construction activities and access to the smallest areas possible consistent with safe and efficient construction and operation practices;
3. scheduling construction for those times that would minimize damage or disruption to sensitive resources, and agricultural production activities (except as otherwise agreed to by the landowner);
4. minimizing disturbances to sensitive resources such as streams, wetlands or rare, threatened or endangered species habitats by limiting machinery movement in or near such resources during construction and throughout the life of the facility;
5. selecting construction and maintenance equipment that minimizes damage to and disruption of soils;
6. minimizing topsoil damage and soil erosion due to grading and other soil-scarifying activities by promptly stabilizing disturbed soil and employing soil separation as appropriate, and thereby preventing erosion and siltation and minimizing compaction; and,
7. minimizing traffic disruption when construction vehicles travel along or cross highway R/W by providing appropriate traffic controls.

(d) The clearing, construction and site restoration practices set forth in the following provisions shall be observed by each utility where applicable:

1. Each utility shall take care to prevent or minimize the grading or piling of soil off the R/W, particularly in cultivated land(s) and near streams and wetlands.
2. Before constructing a new access road, each utility should give preference to using existing access to the R/W; however, where steep slopes (over 20 percent) are encountered along the R/W or where soils, which would not support construction equipment or would result in extensive rutting or compaction are encountered, the construction of either a temporary or permanent off R/W access road shall be considered. However, the placement of permanent access roads in cultivated land shall be avoided wherever possible, unless such roads are requested or
agreed to by the landowner or farm operator.

(3) Each utility shall endeavor to complete stream crossings in the shortest amount of time, with the least amount of adverse environmental impact.

(4) Where necessary, each utility shall properly install temporary drainage and erosion control devices during clearing and grading operations, appropriately maintain them during construction and incorporate them, where necessary, into final grading operations.

(5) Before grading and trenching, each utility shall make an on-site effort to verify the location of any buried gas lines, water lines, sewer lines, drainage tiles or other facilities which may be encountered. All such facilities removed, cut, broken or otherwise damaged during facility construction shall be restored or replaced to at least their preexisting condition, unless the affected property owner declines such restoration or replacement or where such facilities would interfere with the safe and efficient operation and maintenance of the subsurface facilities.

(6) At the project planning stage, before initiating grading or trenching operations in cultivated land on land used in agricultural production (as demonstrated by the affected farm operator), each utility shall discuss with such farm operator and the appropriate County Soil and Water Conservation District the soil characteristics of the project area, drainage, irrigation, cultivation and other land management installations and practices, flood control, the proposed depth-of-cover above the facility and the appropriateness of topsoil segregation. In such cultivated land, all cable shall be installed with a minimum 40 inches of cover. However, the farm operator may require a depth-of-cover greater than 40 inches as a condition of permitting a right-of-way across his or her land where necessary to safely accommodate such practices and projects. In such cases, where practicable, the depth-of-cover shall be included in the easement recorded in the County Records Office. All such decisions should take into account the recommended practices and standards of the United States Department of Agricultural, Soil Conservation Service, as noted in the farm operator's Farm Conservation Plan on file with the County Soil and Water Conservation District. Notwithstanding the foregoing provisions concerning depth-of-cover, facilities located within 15 feet of the edge of the travel way of any private road or within 15 feet of the edge of any public R/W shall be buried at a minimum depth of 30 inches. Cable plow installation may be used in cultivated land unless the land within the area of construction contains subsurface drain lines. In those cases, open trenching shall be used unless the farm operator agrees to cable plow installation. A generic plan and procedure for the repair of drain lines removed, cut, broken or damaged by either method of installation shall be developed by the utility with the Soil Conservation Service and the New York State Department of Agricultural and Markets showing the method(s) for shouldering of the tile drain line repair into the undisturbed trench wall, the support of the repair tile and the maintenance of the drain line's gravity flow. In all cases of removal, cutting, breakage or damage of drain lines during construction by the utility, repairs shall be undertaken at the utility's expense.

(7) Where adverse effects to significant plantings such as ornamental shrubs and trees, as well as visual screens, cannot be avoided during construction, such plants shall be carefully removed and planted in a
temporary location and then be returned as close as possible to their original location following backfilling. If such plants must be removed and are destroyed, they shall be replaced with species and varieties as close as possible in height, diameter and grade to those removed. Exceptions would be where such vegetation would interfere with the operation and maintenance of the facility, the construction is done at the request of the affected landowner, or where the affected landowner and the utility agree otherwise. If the affected property has been the subject of federal, state or local agency review jurisdiction, the involved federal, state or local agency must also agree to the extent the resulting disturbance affects a condition of a previously issued permit or other approval. Transplanting and plant replacement shall be done consistent with established horticultural practices.

(8) In areas where livestock are confined or farm equipment is operating, all trenches which will remain open overnight or on nonworking days shall be temporarily fenced or barricaded, unless the trench shoring or sheeting material extends at least 40 inches above the working surface. Where reasonably determined to be necessary by the affected landowner or farm operator, temporary access shall be constructed to permit persons, vehicles and livestock to cross safely from one side of the trench to the other.

(9) Should dewatering of the trench become necessary, all water shall be filtered and dissipated through appropriate filter material or discharged onto vegetation or graveled areas, to prevent stream siltation, sedimentation and soil erosion. No such water shall be discharged onto cultivated land in the cropping season or directly into regulated streams, ponds or wetlands. If cultivated land receives discharges outside the cropping season, measures shall be applied to dissipate the water to prevent soil erosion.

(10) Engine-powered construction equipment shall be properly muffled and maintained to avoid producing excessive noise. Such equipment shall not be permitted to idle unnecessarily near noise-sensitive uses. Near such uses, the quietest equipment which is readily available to each utility and appropriate for the task shall be employed. If blasting is necessary, explosive charges shall be controlled to limit the sound pressure level to 127 dB.

(11) Whenever artifacts or relics which appear to have historic value are uncovered during construction, work shall be stopped immediately at the site of impact and the State Historic Preservation Office shall be notified. Work elsewhere may continue. Construction at the impact site shall not be resumed until the State Historic Preservation Office or its designated representative determines the significance of the find and, if required, develops a plan to salvage or protect such resource. If prompt clarification of the situation by such officials is not forthcoming or if complications arise, the Commission shall be notified immediately.

(12) In restoring the R/W each utility shall:

(i) recycle all waste material or dispose of it in accordance with governing rules and regulations;

(ii) grade the entire disturbed R/W to restore it to original grade and contour, unless changes made to grade and contour are agreed to by the landowner;

(iii) contact the County Soil and Water Conservation District for the most appropriate seed mix and application rates in the construction
area;

(iv) utilize the most appropriate seed mix and application rate, giving consideration to compatibility with undisturbed areas of the R/W and the surrounding land and consistent with erosion, wildlife and other environmental concerns;

(v) determine the site-specific seed mix to be applied in consultation with the affected farm operator;

(vi) by the end of the workweek in which construction commences, apply mulch (and seed, if no further disturbance is planned) on all disturbed sites within 20 feet of all streams and wetlands;

(vii) stabilize all cut and fill banks by employing the most appropriate erosion control devices and techniques;

(viii) complete stream bank restoration as soon as practicable after the stream crossing installation is completed. If seasonal conditions do not permit final restoration, temporary restoration measures shall be undertaken, with final restoration measures to follow as soon as practicable thereafter; and

(ix) repair or replace (and leave in a condition equivalent to or better than, the preexisting) all existing installations or improvements, for example, lawns, fences, walls, curbs, sidewalks, culverts, mailboxes, gates, tiles, drainage ditches, waterways, and ponds which are disturbed, damaged or destroyed during construction, unless previous arrangements with landowners or farm operators dictate otherwise.

(e) Each utility shall ensure that the construction supervisor, who is on the job, appropriately applies the foregoing standards and practices. The supervisor shall also have authority to stop any work that is inconsistent with the intent of this section and to direct appropriate remedial action. The supervisor shall obtain a competent specialist's advice on how to deal with any sensitive resources encountered.
fixtures; wire, cable and devices; conduit, tunnel, conductors and
devices.
(d) Subdivision. A tract of land divided into lots for residential
buildings the plan for which has been approved by governmental
authorities having jurisdiction.
(e) Central business district. (1) The centrally located, prime
commercial district of a municipality, the focus of main traffic
arteries and mass transit composed of retail trade, offices (including
governmental functions), light manufacturing and commercialized
recreational activities with few or no dwellings.
(2) Normally, a town or village has only one central business
district, but metropolitan districts may have more than one. Commercial
areas essentially one lot deep along a thoroughfare are more aptly
described as strip developments and not central business districts.
Central business districts occupy a relatively small proportion of the
urbanized area—not over four percent even in the smallest cities and
only 0.4 percent in the largest.

102.2 Applicability.
(a)(1) After the effective date of this Part, any utility proposing to
construct overhead transmission facilities as defined in this Part which
are not subject to article VII of the Public Service Law shall promptly
report the proposed construction to the commission, but in no event less
than 60 days prior to the proposed commencement of construction. The
report shall include a description of the proposed transmission
facility, and a map of the areas as categorized in section 102.3 of this
Part. With respect to such transmission lines that are intended to be
built overhead through priority areas specified in section 102.3(a) of
this Part, the report shall also include the information required by
section 102.4 of this Part. In cases where construction of the proposed
transmission facility has been approved by a governmental agency having
jurisdiction the report shall indicate such approval and the basis
thereof.
(2) No report is required under this subdivision for upgrading or
rebuilding transmission facilities on existing right-of-way provided
that all of the following conditions are met:
(i) no additional rights-of-way are required;
(ii) there is no increase in the number of structures on the
right-of-way;
(iii) the resulting structures do not carry more than two circuits;
(iv) no substantial modification will be made to existing vegetative
cover on the right-of-way; and
(v) the height of a new tower does not exceed the height of a replaced
tower by more than 10 feet.
(b) The commission after reviewing the utility's report or after
appeal by an interested party may order a formal investigation if the
commission finds that overhead construction of the proposed transmission
facilities may not be in the public interest or may not be required for
the performance of the utility's public service responsibilities with
economy, efficiency and care for the public safety, the preservation of
environmental values, and the conservation of natural resources. In the
absence of a response from the commission within the 60-day notice
period, the utility may deem itself free to proceed with the
construction.
(c) The commission shall, if it conducts a formal investigation, advise the utility promptly whether the proposed transmission facility may be placed overhead or whether all or a portion of the proposed construction should be placed underground together with its reasons for requiring underground construction.

102.3 Classes of areas.

(a) For transmission lines in the following areas, the analysis required by section 102.4 of this Part must be included in the report of proposed construction:

1. National and State parks, preserves, reservations, landmarks, and monuments formally so designated and acquired for their natural, scenic or cultural value by appropriate State and Federal agencies. (Included would be historic landmarks, national landmarks, national monuments and trails, and wild and scenic rivers.)

2. Historic sites formally so designated by National or State agencies but without acquisition of rights or ownership sufficient for the purpose of preservation.

3. Central business districts in cities and villages.

4. Developed and partly developed residential areas with an existing density of one or more dwelling units per acre, as shown on approved subdivision maps, occupying a minimum contiguous area of 20 acres, all or a portion of which would be traversed by the proposed transmission facility right-of-way.

(b) Other areas for which reports, but without the analysis required by section 102.4 of this Part, are required are:

1. Areas of outstanding natural or scenic value which are preserved by non-profit private agencies but which have not been formally so designated by national or State agencies.

2. Areas of outstanding cultural value (e.g., attractive pastoral scenes, locations of noteworthy architectural and/or social import both within and outside specific sites) that have been formally designated by the appropriate governmental authority.

3. Existing local (city, town, village and county) parks and open space areas that have been formally established by governmental or private authorities.

4. Public and semipublic facilities such as cemeteries, educational, correctional and medical facilities and military installations.

5. Existing light industrial and commercial areas (e.g., industrial parks, shopping centers, office building complexes).

6. Partially developed residential areas where the subdivision will have an eventual population density of one or more dwelling units per acre, as shown on approved subdivision maps, comprising a minimum contiguous area of 20 acres or a portion of which is traversed by the proposed transmission facility right-of-way.

7. Areas of outstanding cultural value (e.g., attractive pastoral scenes, locations of noteworthy architectural and/or social import both within and outside specific sites that lend attractiveness to a neighborhood or community) that have not been formally designated by governmental or private authority.

8. Residential areas with less population density than those specified in preceding categories.

9. Planned and zoned undeveloped light industrial, commercial and residential areas.
Managed woodlands (e.g., commercial and other productive forests).

Agricultural districts established in accordance with article 25-AA of the Agriculture and Markets Law, and other farmlands.

Existing and planned heavy industrial areas.

Woods and open lands other than those included within areas specified in any priority area above.

102.4 Advantage-disadvantage analysis.

(a)(1) The advantage-disadvantage analysis required by this section is designed to provide a framework by which the features or facts which support one or another mode of construction can be identified clearly. Particular circumstances which reduce or enhance the benefits or affect the costs of underground construction, identified in the advantage-disadvantage analysis, will provide the basis for decision. Examples of factors which may affect a decision to underground would include the availability of suitable existing corridors, or the likelihood of pronounced visual impact.

(2) The advantage-disadvantage analysis required by this section shall include at a minimum the items enumerated in section 102.4 of this Part. Data and/or all pertinent information for each item must be presented for both the underground and overhead alternative. The analysis of cost should be made on a present-worth basis for both alternatives over a period long enough to allow for appropriate incremental construction. Each submission shall contain an explanation of why the proposed transmission facility or portion thereof should be placed overhead or underground.

(b) The analysis shall include:

(1) Availability of existing corridors suitable for additional transmission facilities. (The availability of suitable existing corridors through a priority area, for example, may reduce the relative benefits of underground construction.)

(2) Capital construction costs. (Costs that may be capitalized under the uniform system of accounts.)

(3) Construction expense costs. (Costs that may not be capitalized.)

(4) Right-of-way acquisition costs.

(5) Anticipated total operation and maintenance costs including power losses for the depreciable life of the plant, discounted to present-worth, when the present worth of such losses is significant in comparison to other costs (subparagraphs (ii), (iii), and (iv) of paragraph (2) of subdivision (a) of section 102.2 of this Part).

(6) Relevant technological considerations.

(7) The relative effect on vegetation, wildlife, soils, erosion, streams, and other such natural features (as noted in biological surveys, water quality ratings, and land management policies and practices) of the construction methods proposed.

(8) The relative visual impact including incremental impact compared to existing surroundings.

(9) Relative availability of right-of-way for other uses: e.g., parks, recreation, farming, transportation.

102.5 Reports.

In addition to the reports required under section 102.3 of this Part, each utility shall also report semiannually transmission facilities
constructed in the preceding six months but less than one mile in length. The report shall specify which of said overhead transmission facilities were constructed in areas listed under section 102.3(a) of this Part.

102.6 Effective date.

The procedures under this Part shall take effect six months after filing in the office of the Department of State.

PART 105
ELECTRIC UTILITY EMERGENCY PLANS
(Statutory authority: Public Service Law § 66(21))

Sec. 105.1 Preamble
105.2 Definitions
105.3 Submission of electric emergency plans
105.4 Content of electric emergency plans
105.5 Commission review and approval
105.6 Compliance with electric emergency plans

Section 105.1 Preamble.
These electric utility emergency plans are primarily intended to ensure adequate utility response for storm and storm-like emergencies; however, some aspects of the plans will have application to virtually all electric emergencies (e.g., customer contacts, communication with the media and government officials) and should be used accordingly.

105.2 Definitions.
For the purposes of this Part, the following definition shall apply:

(a) Storm drill. A storm drill is a training exercise held by an electric utility to test the adequacy and effectiveness of its regularly assigned personnel and personnel performing job functions outside of their normal areas of responsibility in implementing the utility's service restoration procedures in the wake of a storm classified at the highest or next highest level of severity by the utility. Drills shall simulate the involvement of a majority of a utility's customers served by overhead transmission and distribution facilities or individual operating areas on a sequential basis. The purposes of the drill can be achieved through the mobilization of utility personnel with specific storm response, service restoration assignments under simulated storm conditions or through the actual preparation for an advancing storm, * which may or may not damage the overhead T&D system. However, in either case, to qualify as a drill, the participants must have carried out all of their storm response assignments under either an impending storm scenario or a simulated storm scenario. Also the drill must involve contacts with outside agencies, local governments and others who would normally be included in service restoration responses. For actual preparations, in lieu of a drill, the company shall certify in section 105.3 of this Part that all requirements of this definition were met.

*Classified by the utility at the highest or next highest level of severity.

105.3 Submission of electric emergency plans.
Each electric corporation shall file, in accordance with the requirements of § 3.5 of this Title, with the Commission an electric emergency plan{15} that addresses storms, as well as other causes of electrical emergencies with storm-like characteristics, and that complies with the requirements of section 105.4 of this Part. On or before April 1st of each year or on such other date as the Commission may prescribe, each electric corporation shall file, in accordance with the requirements of § 3.5 of this Title, such amendments to its emergency plan as it deems necessary, or as the Commission may require, to maintain a high level of preparedness, or a statement that no amendments are contemplated. In any event, by April 1st of each year, each electric corporation shall certify in a report filed with the Secretary that within the past 12 months, it has taken the following actions:

(a) periodically verified telephone contacts with and updated its lists of names of internal and external contact persons identified in section 105.4(b)(9) of this Part; and

(b) conducted at least one storm drill or emergency exercise involving key company personnel assigned service restoration responsibilities.

Submissions made under this section shall be sent to the Director of the Office of Electric, Gas and Water. Each electric corporation shall make available for public inspection its currently effective system-wide electric emergency plan at its principal corporate headquarters. Those corporations that have developed customized plans for individual operating areas shall make a currently effective customized plan available for public inspection at the principal offices of each operating area.

{15} Any corporation that has regional or division plans shall make amendments to such operating area plans as are necessary to have those plans conform with any system-wide plan. However, a corporation that has a corporate plan that meets the requirements of this Part and provides the framework for regional plans may elect to file only the corporate plan with the Commission, provided it certify that the regional plans have been updated to comply with the corporate plan and that the requirements of section 105.3 (a) and (b) of this Part have been met for each of the regional plans.

105.4 Content of electric emergency plans.

(a) Each electric corporation's electric emergency plan shall be compiled in a loose-leaf manual to facilitate updating. The manual shall provide a current, detailed description of each corporation's service restoration plan and, to the extent practicable, shall contain the information set forth in subdivision (b) of this section.

(b) Each electric corporation's emergency plan shall include the following information:

(1) Table of contents.

(2) Introduction. A statement of the purpose, policies and objectives of the plan.

(3) Emergency classifications. Specify the criteria or guidelines used for determining the severity of electric emergencies and their classification. The guidelines should include, but need not be limited to, the geographical scope of the emergency, the estimated time required to restore general service, the type of expected damage to the electric system, i.e., from a storm or other storm-like emergency, and an
indication of whether company personnel alone or company and supplementary, non-company personnel will be needed to repair system damage.

(4) Emergency response training program. State the corporation's program to provide emergency response training for those personnel assigned service restoration responsibilities that are different from their normal duties. Identify person(s) responsible for managing and evaluating the effectiveness of the program. Include procedures for conducting a minimum of one annual storm drill simulating a response to either a storm, or other storm-like electric emergency that would be classified at the highest or next highest level of severity. State the extent to which any personnel outside the company may be involved in a storm drill. Include as well, provisions for critiquing the drill procedures and for giving staff a minimum of two weeks' advance notice of a scheduled drill.

(5) Advance planning and preparation. Specify the on-going actions that the corporation expects to take throughout each year to plan and prepare for an electrical emergency. State the corporation's procedures to update at least semi-annually its lists of contact persons, with titles, addresses, phone numbers and other pertinent data for the following:
(i) all utility personnel assigned service restoration responsibilities;
(ii) mutual aid companies and contractors;
(iii) all life support and other special needs customers;
(iv) human services agencies;
(v) print and broadcast media;
(vi) operators/ managers of motels, restaurants and dormitories, etc.;
(vii) state, county and local elected officials, law enforcement officials, and emergency management and response personnel;
(ix) medical facilities; and
(x) vendors.
At least annually, the corporation shall verify that all of the preceding data are current. At least semiannually, the corporation shall issue updated lists of known changes to its employees that have plan implementation responsibilities. The procedures should include the corporation's plans to stockpile emergency restoration tools and supplies in loose or kit form. State also, provisions for the preparation and distribution of literature or other forms of communication with information on customer storm preparations. Such information should address storm survival without electric power and safety precautions regarding electrical hazards such as downed wires and the use of portable generators.

(6) Emergency anticipation. Identify the preparatory measures corporate management would implement in anticipation of a potential system emergency expected to affect the service territory within hours or days. Identify the criteria under which key personnel with service restoration responsibilities would either be notified of an impending emergency or deployed to assigned areas, and any special precautions that would be taken.

(7) Service restoration procedures. Provide the corporation's procedures for mobilizing its personnel, materials and equipment in order to survey system damage and implement measures to ensure timely, efficient and safe restoration of service to customers in areas damaged
by a storm or other storm-like electric emergency. The procedures need
to identify restoration priorities to ensure that restoration time is
minimized, while ensuring critical customers' needs are met. Include a
listing of the priorities for service restoration among customer groups
in these procedures. Identify criteria for determining when centralized
versus decentralized control is appropriate. For those severe
emergencies when field damage assessments are needed, describe the
methods for making, within 24 hours, broadscale preliminary assessments
of the nature and extent of system damage based on rapid surveys of
damaged areas and other data sources, and for making, within 48 hours,
more detailed estimates of system damage based on systematic field
surveys. Describe how field reports of system damage will be integrated
with damage reports or indicators from other sources, such as customer
call-ins, in order to make a reasonably accurate assessment of system
damage and reliable projections of the personnel, equipment, materials
and time that will be needed to rapidly and safely achieve service
restoration goals in all damaged areas. Provide the procedures for
deploying company and mutual aid crews to work assignment areas,
monitoring crew activity, reassigning crews as necessary, and releasing
crews, under both centralized and decentralized command modes. Describe
the methods and means that will be used to communicate with damage
survey crews and service restoration crews. Identify the procedures for
coordinating company restoration procedures with those of other
utilities' restoration efforts and with state and local emergency
management and public works agency efforts.

(8) Personnel responsibilities. Provide a narrative and chart of the
organization end operational assignments of personnel to be mobilized
for each emergency classification identified. State the areas of
management and supervisory responsibility and functions to be performed
at each emergency classification level. Include the procedures for
contacting and managing all personnel assigned duties under the
emergency restoration plan at both the corporate and operating division
level.

(9) Customer contacts. Provide the corporation's procedures and
facilities for handling the extraordinary volume of customer calls that
are normally placed during emergency events. Include a description of
the type of messages that may be given to call-in customers regarding
projections for service restoration or other pertinent information.
State the overall corporate goals for answering customer calls during
electric emergencies including, but not limited to, plans for staffing
levels, number of positions activated, use of pre-recorded messages,
means of providing updated information to customer service
representatives, and the means of monitoring calls received and answered
at the utility's office and, to the extent possible, at telephone
company switching offices serving the utility's office. State the
procedures for contacting within 24 hours, and policies for responding
to the needs of, life support customers (those who require electrically
operated machinery to sustain basic life functions) during an electrical
emergency. State the procedures for contracting other special needs
customers such as the elderly, the vision-impaired, the hearing and
speech-impaired, the mobility-impaired and human service agencies
representing these customers, along with policies for handling inquiries
and requests for assistance from them. Describe the corporation's method
for estimating dry ice needs during an emergency period projected to
last more than 48 hours and arrangements for obtaining and distributing dry ice to designated customer groups. State also the means of making out-of-service customers aware of the availability and the location, dates, hours and amounts of dry ice to be distributed.

(10) Communications. Provide the corporation's procedures and facilities for establishing and maintaining external communications exchanges regarding damage and restoration progress with customers in general, human service agencies, the media, the Department of Public Service, the State Emergency Management Office and other state agencies, county and local governments, emergency response services, and law enforcement agencies, etc. Include the identification of any dedicated phone lines, the designation of any special company representative to act as liaison with government entities, and any special provisions that may be required for dealing with critical facilities. State the corporation's planned frequency of communication updates to the media.

(11) Outside aid. State corporate policy and criteria governing conditions under which request for service restoration aid from other utilities, contractors, government agencies or others would be made and the procedures to be followed in obtaining outside aid.

(12) Support services. Describe the actions that will be taken, and who will be responsible for implementing them to sustain and support restoration crew activities. These shall include vehicle management; foreign crew accommodations, e.g., housing, food and transportation; and distribution of warehouse supplies, e.g., materials, tools, parts and equipment needed in the restoration process.

(c) Within 60 days following completion of service restoration in an emergency where the restoration period exceeds three days, each electric corporation shall submit to the Secretary of the Public Service Commission a review of all aspects of its preparation and system restoration performance.

(d) Each electric corporation may submit such additional information and plans as it believes necessary or desirable to fulfill the purposes of this Part.

(e)(1) Each electric corporation may delete the names and phone numbers of its employees and outside contact persons from the copies of plans filed with the Commission and available for public inspection at its corporate headquarters. Such deleted information shall be subject to inspection by the Commission or Department of Public Service employees.

(2) Any electric corporation may request that the Commission designate as confidential any information required to be submitted in emergency plans. Confidential information may include, for example, internal security matters. Such requests shall identify the specific information requested to be treated as confidential and shall explain why confidentiality is sought. Unless the Commission directs otherwise, such information shall not be included in the plans available for public inspection.

.SO DOC 16A-105.5
105.5 Commission review and approval.
Upon receipt and review of emergency plans or amendments filed by an electric corporation under this Part, the Commission may require any such corporation to modify such plans or amendments or otherwise prescribe conditions for approval. Approval will be based on compliance with the requirements of this Part.

.SO DOC 16A-105.6
NYCRR
105.6 Compliance with electric emergency plans.

(a) Each electric corporation shall comply with the guidelines and practices set forth in its effective emergency plans. Each electric corporation shall comply with any additional electric emergency plan requirements that may be imposed by the Commission.

(b) Under emergency conditions, an electric corporation may modify its response from that in the filed electric emergency plan to the extent required to restore service in a safe and efficient manner. However, modifications and the circumstances that caused them shall be reported in writing to the Secretary of the Commission within 60 days from restoration of full service. Minor changes such as telephone numbers, personnel changes, etc., need not be reported, but as soon as practicable should be made to the plans.

Sec. 115.1 Contents of notice

115.2 Issuance not heretofore reported
the exchange, and the additional consideration realized, if any, by
reason of the exchange.

(iii) For each type of security or obligation, include the following
information, as appropriate:
   (a) Designation of security--classified according to distinguishing
characteristics, such as class of stock of par value or no par value and
dividend rate of preferred stock, or character of debt obligation and
interest rate or maturity date or other distinguishing characteristic.
   (b) Date of actual issue or assumption.
   (c) Number of shares of each class of stock or principal amount of
each debt obligation issued.
   (d) Consideration realized from each class or type of security (if
consideration is other than cash, give description and basis of value).
   (e) Case number and date of order of this commission under which the
security issue was authorized.
(2) Securities issued or assumed under circumstances not requiring the
formal approval of this commission, such as obligations (real estate
mortgages, chattel mortgages, conditional sales agreements, promissory
notes, etc.) having a term of less than 12 months:
   (i) Notice of issuance shall set forth the transaction covering
obligations issued during each calendar month and shall be filed not
later than 10 days after the end of the calendar month covered by such
report.
   (ii) For each type of obligation of $10,000 face amount or more,
include the following information as appropriate:
      (a) Designation of the obligation giving descriptive distinguishing
characteristics. Include description of real estate mortgage, chattel
mortgage, conditional sale agreement, or any hypothecation of assets
given in connection with the obligation.
      (b) Date of actual issue or assumption.
      (c) Name of payee.
      (d) Principal or face amount.
      (e) Rate of interest.
      (f) Date of maturity (if demand so specify) or schedule of periodic
payments.
      (g) Names of endorsers, if any.
      (h) Consideration realized from issuance of the obligation.
      (i) Purpose for which the obligation was issued; if for cash indicate
the use to which the proceeds are to be applied.
      (j) State whether the obligation represents an increase of
indebtedness or an obligation given in renewal of existing obligations
or in cancellation of accounts payable. For renewals of obligations of
$10,000 face amount or more give the dates and amounts of the
obligations for which the renewal obligation is in whole or in part to
be substituted; for renewals of obligations of less than $10,000 face
amount, give the date or month of issuance, the rate of interest, date
or month of maturity and the total amount of the obligations for which
the renewal obligation is in whole or in part to be substituted. (See
subparagraph (iv) of this paragraph).
   (iii) For each type of obligation of less than $10,000 face amount
list the information required in subparagraph (ii) of this paragraph or
group each type of obligation of less than $10,000 face amount which is
identical except for the payee, the exact date of issue or assumption
within any one calendar month and the exact date of maturity within any
one calendar month. Report for each group the information required in subparagraph (ii) (a), (e), (g), (h), (i) and (j) of this paragraph but substitute for subparagraph (ii) (b), (c), (d), and (f), the following; (b) month of actual issue or assumption, (c) number of obligations, (d) amount of indebtedness and (f) the month and year of maturity (if demand so specify).

(iv) Report the outstanding obligations as of the final date of the period covered by the notice of issuance. List the date of actual issue or assumption, principal or face amount and rate of interest of all obligations reported pursuant to subparagraph (ii) of this paragraph. For obligations reported pursuant to subparagraph (iii) of this paragraph, list the date or month of actual issue or assumption, the rate of interest of each obligation or group of obligations and the amount of each obligation or group of obligations outstanding.

(3) For any other class of securities, give corresponding particulars, not later than 10 days after the end of the calendar month in which issued or assumed, to the end that the commission may be fully advised as to the nature of the transaction and purpose for which obligations were incurred or securities were issued and the proceeds therefrom are to be used.

(g) Each notice of issuance of securities or obligations shall be subscribed by an executive officer of the corporation, a member of the partnership, the individual owner, or other party of the utility in behalf of which the notice is filed, and affirmed by such person as true under the penalties of perjury.

115.2 Issuance not heretofore reported.

Every such public utility which has not filed with this commission a notice of the issuance of any stocks, bonds, notes, or other evidences of indebtedness now outstanding and issued with or without the approval of this commission shall, within 30 days from the date of service of a copy of this order, file a notice of each such transaction in the form prescribed herein.

PART 125
REPORTS OF ACCIDENTS
(Statutory authority: Public Service Law, ð 66(1))

Sec.
125.1 Definition of employee
125.2 Filing requirements
125.3 Data requirements
125.4 Format of reports
125.5 Retention of records

Section 125.1 Definition of employee. For the purpose of this Part, the term employee shall include all employees and agents of the company.
125.2 Filing requirements. Every electric corporation and every municipality subject to the commission’s jurisdiction providing electric service is required to notify the commission of:

(a) all accidents (other than vehicular accidents on public highways) involving utility facilities directly related to the production, transmission, or distribution of electricity, which result in injury or death to nonemployees; and

(b) all work-related accidents (other than vehicular accidents) involving utility facilities directly related to the production, transmission, or distribution of electricity, which cause injuries to utility company employees that result in hospitalization (inpatient treatment) or death.

125.3 Data requirements. Electric service accident and injury records to be maintained by electric corporations and municipalities under this Part shall contain at least the following information for each occurrence: the date, time, and location of the accident; the name, address, sex, approximate age, and occupation (if relevant) of the injured party; the nature, extent, and cause of the injury; the status and medical prognosis (if available) of the injured party; follow-up actions proposed; and a description of the accident and its cause.

125.4 Format of reports.

(a) Immediate notification to the commission shall be by telephone for all accidents resulting in inpatient hospitalization or death on the day of the accident, providing information concerning: the location, date, and time of the incident; the name, description, and status of the injured person(s); a description of the incident; and whether or not the injured person is an employee of the utility. Telephone notification of accidents occurring after business hours shall be given the following business morning. By the 10th of each month each corporation or municipality shall file with the commission written reports of all accidents specified by section 125.2(a) or (b) of this Part, providing the information specified on Form A (set forth in subdivision (b) of this section). If insufficient information is available to complete form A within the specified time, a request for an extension on the filing deadline shall be submitted to the secretary by the 10th of each succeeding month. In the event no accidents were experienced in a given month, a form A shall be submitted to the commission by the 10th of the succeeding month with a notation to that effect.

(b) Sample Form--Accident Report.

Form A     ACCIDENT REPORT     Chronological No. |   |   |
           of Accident   |   |   |
Name of Corporation or Municipality Reporting |
Address |
Date of Accident |
Precise Location of Accident |
Name             PERSON INJURED |   | Age
Address

Occupation

Regularly or Temporarily Employed

Nature and Extent of Injury

Taken After Injury to

Probable Duration of Disability

Name of Attending Physician

Names of Witnesses

Was Injured Person Obeying Instructions at Time of Accident?

Was Accident Due to Negligence of Injured Person?

Signature of Person Reporting Accident

Date 

. SO DOC 16A-125.5

125.5 Retention of records. Each electric corporation and each municipality providing electric service shall maintain for at least six years a record meeting the requirements of sections 125.1 and 125.2 of this Part for each accident in any way connected with or growing out of its electric utility operations and resulting in injury to any person. Said corporation or municipality shall make such records available for inspection by the commission's staff and shall, when requested, provide the staff with information on any such accident.

. SO DOC 16A-PT126

PART 126

Electric Power Line Structure Safety Requirements

(Statutory authority: Public Service law,
Section 126.1 Definitions.

(a) Power line structures. Power line structures as used in this Part shall include both poles and lattice metal towers which support electric lines at 4,000 volts (phase to phase) or higher.

(b) Populated areas. Populated areas as used in this Part shall mean:

(1) all cities, villages and towns in which the population density is greater than 199 persons per square mile; or

(2) all areas within one quarter mile of any school, playground sanctioned by municipal authorities or recognized recreational bodies, or residential housing; or

(3) all public parks except Adirondack and Catskill State parks.

(c) Authorized officials. Authorized officials as used in this Part shall mean the chief executive officer of the local governmental unit or the chief administrator of a school.

Section 126.2 Structure markings.

Power line lattice metal towers in populated areas shall be plainly marked with a warning sign visible from two opposite faces of the tower. Warning signs shall be located at a height that makes them clearly visible to persons on the ground approaching the tower. Warning signs will not be required on poles.

Section 126.3 Structure access.

(a) Electric utilities shall use fences, barbed wire, or other anti-climbing shields to limit access to lattice tower power line structures adjacent to school property or playgrounds sanctioned by municipal authorities or recognized recreational bodies.

(b) Electric utilities may place anti-climbing shields on lattice tower power line structures not adjacent to school property or designated playgrounds whenever such shields would eliminate a significant hazard or at the request of an authorized official. Any authorized official may petition the commissioner to order an electric utility to place such shields if his request is refused.

(c) No ladder, step, or other intended climbing device shall be allowed less than eight feet above the ground on any power line structure except for those placed on wooden poles prior to July 1, 1977.

Section 126.4 Safety programs.

(a) Electric utilities shall urge school systems within their service territories to conduct electrical safety education programs and shall cooperate with school officials to develop and present such programs. As a minimum, this shall include the annual transmittal of a notice to all school districts operating in the utilities' franchise areas that speakers and/or films are available from the utilities for the schools' use.

(b) Electric utilities shall distribute a description of the dangers of electric power lines in safety reminders which shall be distributed
annually as customer bill inserts.  

PART 127  
ALLOWABLE INDUCED VOLTAGE IN PIPELINES  
(Statutory authority: Public Service Law, ñ66(2))

Sec.  
127.1 Applicability  
127.2 Definitions  

Section 127.1 Applicability.  
After the effective date of this Part, any electric corporation subject to commission jurisdiction constructing overhead electric transmission facilities shall limit the step-and-touch voltages induced by magnetic fields of such facilities under steady state conditions to 15 volts or less at all points on existing pipelines where a person could normally touch the pipeline or a pipeline appurtenance. This does not apply to buried pipelines or to locations where access is limited by use of fences or barriers to personnel that are trained in safe practices regarding step-and-touch voltages. The short term emergency loading condition of the circuit as defined by the New York Power Pool for the electric facility shall be used in determining the magnitude of such step-and-touch voltages.  

127.2 Definitions. The following words and terms when used in this Part shall have the meaning indicated:  
(a) Step voltage means the root mean square voltage difference between any two points on the ground surface separated by one meter (approximately the distance of one step) in the direction of the maximum voltage gradient.  
(b) Touch voltage means the root mean square voltage difference between any point on the ground where a person may stand and any point on the pipeline or its appurtenances which can be touched simultaneously by either hand.  

SUBCHAPTER D  
Rates and Charges  
PART  
137 Penalties and Discounts--Consumers' Bills--Electric Corporations  
138 Penalties and Discounts--Consumers' Bills--Municipal Electric Utilities  
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PART 137  
PENALTIES AND DISCOUNTS--CONSUMERS' BILLS--ELECTRIC CORPORATIONS  
(Statutory authority: Public Service Law, ñ 66)
Section 137.1 Late payment charges.

Any corporation, partnership or person furnishing gas, electric, steam or water service may impose a late payment charge, either one-time or continuing interest type, because of the failure of any customer to pay a bill for such service within a specified period therein stated.

Section 137.2 Contents of bill.

If any corporation, partnership or person furnishing gas, electric, steam or water service elects to impose a one-time charge for late payment for such service, it shall show on each bill the amount billed, the amount that will be due, including the late payment charge, when the late payment charge becomes applicable.

Section 137.3 Amount of late payment charge.

If a one-time late payment charge is imposed, it shall not exceed 10 percent on the first $10 (except that a minimum charge may be made of not to exceed 15 cents per bill), plus not to exceed three percent on that portion of the bill over $10.

Section 137.4 Contents of rate schedules.

In case a one-time late payment charge is imposed, the rate schedules shall show the rates for service, the amount due including the late payment charge when the charge becomes applicable and the period during which the bill may be paid without the imposition of the late payment charge.

Section 137.5 Increase in rates prohibited.

No corporation, partnership or person furnishing gas, electric, steam or water service shall so revise or redraft its rate schedules in compliance with this Part as to increase the rates for service applicable to any customer as compared with the rates now in effect without special permission of the commission.

PART 138

PELALTIES AND DISCOUNTS--CONSUMERS' BILLS--MUNICIPAL ELECTRIC UTILITIES

(Statutory authority: Public Service Law, ñ 66)

Section 138.1 Late payment charge.

Any municipality furnishing gas, electric or steam service may impose a late payment charge, either one-time or continuing interest type, because of the failure of any customer to pay a bill for such service.
within a specified period therein stated.

138.2 Contents of bill. If any municipality furnishing gas, electric or steam service elects to impose a one-time charge for late payment for such service, it shall show on each bill the amount billed, the amount that will be due, including the late payment charge, when the late payment charge becomes applicable.

138.3 Amount of one-time payment charge. If a one-time payment charge is imposed, it shall not exceed an amount equal to 10 percent of the first $10 of any bill, plus three percent of any amount of such bill in excess of $10; provided, however, that a minimum charge may be made of not to exceed 15 cents per bill; and further provided that there may be allowed in any block of a rate schedule a late payment charge of one mill per kilowatt hour of electricity or one mill per 100 cubic feet of gas.

138.4 Contents of rate schedules. In case a one-time late payment charge is imposed, the rate schedules shall show the rates for service, the amount due including the late payment charge when the charge becomes applicable, and the period during which the bill may be paid without the imposition of the late payment charge.

138.5 Increase in rates prohibited. No municipality furnishing gas, electric or steam service shall, without special permission of this commission, so revise or amend its rate schedules, in compliance with this Part, as to increase the rates for service applicable to any customer as compared with the rates now in effect.

PART 139

COMBINING ELECTRIC SERVICE RENDERED AT ONE LOCATION THROUGH TWO OR MORE METERS IN COMPUTING BILLS

(Statutory authority: Public Service Law, ñ 66(1))

Sec.

139.1 Service at single location
139.2 Two or more meters--separate computation
139.3 Two or more meters--in specified metropolitan area
139.4 Petition for combined meter reading and billing
139.5 Request of consumer for additional meters
139.6 Conjunctural billing

Section 139.1 Service at single location. Except when multiple meters are provided at the request of a customer, or when provided under the conditions or circumstances set forth in sections 139.3, 139.4 and 139.6 of this Part, all service to a customer at a single location shall be rendered through a single meter.

139.2 Two or more meters--separate computation. When a customer is served through two or more meters, as provided for in section 139.5 of this Part, the service rendered through such meters shall be computed separately and billed in accordance with the applicable filed rate schedule.

139.3 Two or more meters--in specified metropolitan area.
Within the city of New York, within that part of Westchester County comprising that franchised territory of the Westchester Lighting Company and of the Yonkers Electric Light and Power Company, and within that part of Nassau County comprising the franchised territory of the Queens Borough Gas and Electric Company, under any of the following conditions or circumstances, the reading of two or more meters measuring the service of a single customer at a single location may be combined and the customer billed for such total use, computed as if all service had been rendered through a single meter, provided the filed rate schedule of the utility provides for such service:

(a) when the use of more than one meter is necessary to provide safe service;
(b) where the use of more than one meter is required by a municipal ordinance;
(c) when a single meter cannot correctly measure the total service rendered;
(d) when the characteristics of service of a customer were such that at the time his service connections were installed there was no single meter commercially available to correctly measure such service and multiple meters have been continued in use;
(e) when service is measured through two or more meters and the occupancy by the present customer is temporary;
(f) when two or more service connections are necessary to provide service at the least expense to the utility;
(g) when in order to render proper and reliable service without undue interruptions more than one service connection is necessary and a meter or meters are connected with each service connection; or
(h) when service of different characteristics is supplied and there is no meter commercially available to correctly measure such combined service.

139.4 Petition for combined meter reading and billing. If a corporation, municipality or interested consumer is of the opinion that combined meter reading and billing should be permitted under any or all the conditions specified in section 139.3 of this Part, such party may petition the commission for such authority or order.

139.5 Request of consumer for additional meters. Every electric corporation, gas and electric corporation and municipality shall install upon the request of a customer as many meters as such customer shall desire, provided the circuit or circuits connected to each meter are kept separate from all other circuits.

139.6 Conjunctional billing.

Nothing contained in this Part shall affect the combining of registration of two or more meters for billing purposes under a Conjunctional Billing Rider, Inter-connection Buildings Rider or Service for Construction Purposes Rider when such a rider is contained in the rate schedule of the corporation or municipality.
July 1, 1976; however, prior to that date, utilities may show on their bill forms the information specified by this Part. By order dated January 7, 1976, the commission directed all companies subject to this Part to send an explanatory leaflet to its customers with the first new bill form sent; the bill forms and leaflet were also required to be filed with the commission 30 days prior to use of the new bill form.

Sec.
140.1 Contents of bill
140.2 Budget or equal payment billing
140.3 List of company offices

Section 140.1 Contents of bill. Each bill for electric service issued after June 30, 1976, on the portion that is retained by the customer, shall show, but not be limited to, the following information, except as otherwise provided by this Part:

(a) The name of the corporation, partnership or person by which the service was furnished and, except as provided by this Part, no other name.

(b) The location of the principal office and one or more company offices at which it may be paid, and a statement that bills may be paid at other authorized offices.

(c) The service classification or classifications in the rate schedules on which it is based.

(d) Any charges or credits which are adjustments to the rate schedules referred to in subdivision (c) of this section, shall be itemized and shown in dollars per type of unit billed and in total dollars.

(e) The billed demand or other similar factor (if applicable).

(f) Present meter reading (if service is metered), actual or estimated, (indicate if estimated), and date thereof.

(g) Previous meter reading (if service is metered), actual or estimated, (indicate if estimated), and date thereof, and/or the number of days or the prorated period from the previous meter reading, actual or estimated, to the present meter reading, actual or estimated.

(h) Meter multiplier or constant (if applicable).

(i) Debit or credit balance still outstanding from prior bill, if any.

(j) Quantity billed and unit of measurement, except quantity need not be shown for interim budget billing.

(k) Gross amount of bill including any sales tax.

(l) Amount of discount and/or net amount of bill (if applicable).

(m) Date when discount period expires or late payment charge becomes effective shall be shown on the front of the bill (if applicable). The payment date is to be determined by the date of mailing or date paid at designated office.

(n) If the service be furnished by a corporation which desires to indicate that it is owned or controlled by another company, or that it constitutes part of a system, it may so indicate by the use of a small symbol or by a statement to that effect printed on the bill in small, inconspicuous type.

(o) Only service(s) performed, materials furnished or other charges made by the company, pursuant to its filed tariff, may be included and shall be itemized on the applicable bill form. Whenever the bill form, by reason of size limitations, does not permit itemization, totals may be utilized, provided the charges making up such totals are itemized in
an addendum attached to or enclosed with the bill.

(p) Each bill rendered by the company shall identify the account for which service is being charged by setting forth an account or meter number or other appropriate method of identification of the address or location of the premises where the service(s) for which the bill is rendered was (were) furnished.

(q) The back of the entire bill may be used for any purposes deemed appropriate related to the service(s) rendered.

(r) As long as it does not confuse the customer, pertinent messages and information may be printed on any portion of the front of the bill.

(s) An explanation of any abbreviation or symbol used that is not in common English usage.

140.2 Budget or equal payment billing.

On either the bill or in an addendum attached to or enclosed with the bill shall be shown:

(a) Identification of the type of budget or equal payment plan if more than one plan is offered.

(b) The total of the year's budget or equal payment amounts billed to the end of the period covered by the current bill.

(c) The dollar amount billed for tariff items during the same period as in subdivision (b) of this section.

(d) Debit or credit balance to be shown as D or C on the bill and defined as follows:

- D Amount due company
- C Amount in customer favor

140.3 List of company offices. Each electric company shall provide annually to its customers a list of all company offices at which utility bills may be paid, if such information is not shown on its bill form.

141.1 Method of determining demand

Section 141.1 Method of determining demand.

(a) Whenever the charge by any electric corporation or gas and electric corporation for electric service, including the minimum charge, is in any way dependent upon the demand of the customer, such demand shall, after January 1, 1939, be determined by a demand measuring device of a type approved by this commission, whenever the demand billed is 5 kw. or more, or whenever the total rated capacity of the customer's current consuming devices is 8 kw. or more, or whenever the customer's consumption has exceeded 800 kw.h. per month in two consecutive months during the preceding 12 months; provided:

(1) a minimum charge not exceeding $1.33 per kw. or $1.00 per hp. may be based on connected load, provided it is clearly specified how such connected load is to be determined;

(2) the demand of temporary installations or of devices which have a highly fluctuating or large instantaneous demand, such as X-ray apparatus and welders, may be determined by or related to the rated capacity of the apparatus, the capacity of the transformer installation
required to supply adequate service to the apparatus, or by other appropriate standards;
(3) the demand of installations which have a definitely determinable and unvariable demand, such as electric signs, show windows, or water heaters, may be determined by or related to the rated capacity, or by periodic tests;
(4) the demand for breakdown or auxiliary service, may be determined by or related to the capacity contracted for, the transformer capacity required, or other appropriate standards;
(5) in other special cases when real merit or necessity is shown, the commission may, on application, permit the use of other reasonable standards.
(b) The demand billed in any month may be related to the demand established during a preceding period or the amount specified by the customer in his application for service.

PART 142
CHARGES FOR SPECIAL SERVICES
(Statutory authority: Public Service Law, § 66(1))

Sec.
142.1 Charges for special services required to be filed

Section 142.1 Charges for special services required to be filed.
Every gas, electric, gas and electric corporation and every municipality providing gas or electric service is hereby directed and required to file amendments to its tariff schedules to be effective not later than November 15, 1948 on not less than 30 days' notice to the public and this commission setting forth the charges that will be made for each and every service performed for a customer or an applicant for service, except service directly connected with the installation of appliances sold by such corporation or municipality or directly connected with jobbing work performed as an agent under an agency contract, whereby the corporation or municipality undertakes to do jobbing work for a stipulated profit or commission; provided, however, that corporations or municipalities who now have such charges set forth in their tariff schedules need not refile such provisions.

PART 143
NOTICE OF DISCONTINUANCE AND COMPLAINT PROCEDURES
(Statutory authority: Public Service Law, § 4, 20, 66, 71, 72)

Sec.
143.1 Notice of discontinuance--time
143.2 Notice of discontinuance--format
143.3 No discontinuance without verification of delinquent account
143.4 Rapid posting of payments in response to notices of discontinuance
143.5 Days when discontinuance of service is not permitted
143.6 No additional notice required when payment by check is subsequently dishonored
143.7 Discontinuance of service to entire multiple dwellings
143.8 Billing disputes
143.9 Publicizing complaint procedures
143.10 Hardship procedures
143.11 Reconnection
143.12 Special procedures during cold weather periods
143.13 Survey of residential customers previously disconnected for nonpayment or theft of service
143.14 Voluntary third-party notice prior to discontinuance of service
143.15 Installment plans for residential customers

Section 143.1 Notice of discontinuance--time.
(a) No electric corporation shall discontinue the supply of electricity for nonpayment of bills rendered for service or for failure to post a required deposit until:
(1) at least five days after written notice has been served personally upon the person supplied;
(2) at least eight days after mailing written notice in postpaid wrapper to the person supplied, addressed to such person at premises where service is rendered; or
(3) at least five days after the person supplied has either signed for or refused a registered letter containing written notice, addressed to such person at premises where service is rendered.
(b) If the person supplied has specified to the company in writing an alternate address for billing purposes, the notice authorized under paragraphs (2) and (3) of subdivision (a) of this section shall be sent to such alternate address rather than to the premises where service is rendered.

Section 143.2 Notice of discontinuance--format.
(a) Every notice indicating discontinuance of service shall:
(1) clearly indicate in nontechnical language and, where practicable, in a bilingual format:
   (i) the reason for service discontinuance;
   (ii) the total amount required to be paid by the customer to avoid discontinuance of service, indicating the amount for which the customer's account is in arrears or the required deposit, if any, which must be posted by the customer, or both;
   (iii) a method whereby the customer may tender payment of the full sum due and owing, including any required deposit, to avoid the discontinuance of his service;
   (iv) the availability of company procedures to consider customer complaints prior to discontinuance, including the address and phone number of the office of the electric company the customer may contact in reference to his account; and
   (v) the earliest date on which discontinuance may be attempted; and
(2) have printed on the face thereof, in a size type capable of attracting immediate attention, the following: "THIS IS A FINAL DISCONNECT NOTICE. TO AVOID INCONVENIENCE, BRING THIS NOTICE TO THE ATTENTION OF THE COMPANY WHEN PAYING THIS BILL."
(b) Every notice indicating discontinuance of service to residential customers shall include a statement that electric service to any person receiving financial assistance from a local social services department in certain cases may not be terminated, and that the recipient may inform the utility providing such service of his status so that the utility may ascertain the applicability of such provisions to him.
(c) Advise consumers that they should contact such corporation's business office immediately if any acute hardship, such as death in the family, recent unemployment, serious illness or infirmity, or other
grave condition exists, in order that such corporation may determine whether any temporary arrangement should be employed to avoid immediate termination.

(d) Where full compliance with subdivision (a) of this section is found by the commission to be infeasible or to impose an unreasonable burden upon the company, the commission may grant a waiver of the requirements of such subdivision upon approval by the commission of an alternate arrangement which accomplishes the basic purposes of this section.

143.3 No discontinuance without verification of delinquent account.

(a) No electric corporation shall discontinue service for nonpayment of bills rendered, or for failure to post a required deposit, unless:

(1) it shall have verified that payment has not been received at any office of the company or at any office of an authorized collection agent through the end of the notice period required by this Part; and

(2) it shall have verified on the day disconnection occurs that payment has not been posted to the customer's account as of the opening of business on that day, or shall have complied with procedures established pursuant to section 143.4(b) of this Part.

(b) In the case of a company which serves a geographical area of this State involving more than six counties, the commission may grant a waiver of the requirements of paragraph (a)(1) of this section upon approval by the commission of an alternate procedure for verification of payments which accomplishes the basic purposes of such paragraph.

143.4 Rapid posting of payments in response to notices of discontinuance. Every electric corporation shall take reasonable steps to establish procedures to insure that any payments made in response to notices of discontinuance, when the customer brings the fact that such a notice has been issued to the attention of the company or its collection agents, shall either:

(a) be posted to the customer's account on the day payment is received; or

(b) be processed in some manner so that discontinuance will not occur.

143.5 Days when discontinuance of service is not permitted. (a) No electric corporation shall discontinue service to any person for nonpayment of bills or for failure to post a required deposit on a Saturday, Sunday, public holiday, or day on which the main business office of the company is not open for business. For purposes of this section, the term public holiday refers to those holidays enumerated in the General Construction Law.

(b) No electric corporation or electric and gas corporation or municipal electric corporation shall discontinue service to any residential customer for nonpayment of bills or for failure to post a required deposit on a Friday, or on the day preceding a day on which the main business office of the company is not scheduled to be open for business, or the day immediately preceding a public holiday. No such corporation shall discontinue service to any residential customer for nonpayment of bills or for failure to post a required deposit during a two-week period encompassing Christmas and New Year's Day.

143.6 No additional notice required when payment by check is
subsequently dishonored. Receipt of a subsequently dishonored negotiable instrument in response to a notice of discontinuance shall not constitute payment of the customer's account, and no electric corporation shall be required to issue additional notice prior to discontinuance.

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143.7 Discontinuance of service to entire multiple dwellings.

(a) No electric corporation shall discontinue service to an entire multiple dwelling (as defined in the Multiple Dwelling Law or the Multiple Residence Law) where the owner, person, firm or corporation to whom or which the last preceding bill has been rendered, or from whom or which the electric corporation has received payment therefor, has failed to pay such utility bills, until it has complied with the following procedure:

(1) The electric corporation must give 15 days' written notice of its intention to so discontinue by personally serving such notice on the owner of the premises affected or on the person, firm, or corporation to whom or which the last preceding bill was rendered, or from whom or which the utility has received payment therefor, and on the superintendent or other person in charge of the building, if it can be readily ascertained that there is such superintendent or other person in charge; or

(2) The electric corporation must give 18 days' written notice to the owner, person, firm or corporation specified in paragraph (1) of this subdivision if such notice is mailed in a postpaid wrapper to the address of such persons, firm or corporation.

(3) In addition to the notice prescribed by paragraphs (1) and (2) of this subdivision, 15 days' written notice shall be posted in the public areas of such multiple dwelling, and 18 days' notice shall be mailed to the "Occupant" of each unit in that multiple dwelling, to the local health officer and director of the social services district for the political subdivision in which the multiple dwelling is located; if the multiple dwelling is located in a city or village, to the mayor thereof, or if there be none, to the manager; or, if the multiple dwelling is located in a town, then to the town supervisor; and to the county executive of the county in which the multiple dwelling is located, or if there be none, then to the chairman of such county's legislative body. Notice to mayors, managers, town supervisors, county executives, and chairmen of county legislatures may be mailed to the persons specified therein or to their designees. Notice to health officers, directors of social services, mayors, managers, supervisors, county executives and chairmen of county legislatures shall be repeated not more than four working days nor less than two working days prior to such discontinuance.

(4) Whenever a notice of intention to discontinue electric service has been made pursuant to the provisions of this section and obligations owed the electric corporation have been satisfied, the electric corporation shall notify, in the same manner as it gave such notice of intention, the occupant of each unit that the intention to discontinue electric service no longer exists.

(b) Notwithstanding the provisions contained in subdivision (a) of this section, no electric corporation shall discontinue services to a multiple dwelling, where the owner, person, firm or corporation responsible for making payment fails to pay utility bills, as long as
occupants of such multiple dwellings continue to make timely payments for such service in accordance with procedures filed by the utility and approved by the Public Service Commission. All notices referred to in subdivision (a) of this section shall contain the intended date of discontinuance of service and a utility contact, including a telephone number, who will advise occupants of the amount due for electric service and who will arrange meetings with occupants to attempt to work out a mechanism for avoiding discontinuance of service in the event that the owner continues to fail to make requisite payments or arrangements for such payments. The notice shall also refer to the provisions contained in section 235-a of the New York Real Property Law authorizing occupants to set-off, against their rent, payments to utilities in such circumstances.

(c) An electric corporation, following the procedure outlined in subdivision (b) of this section, may require occupants in a multiple dwelling to pay no more than the current electric charges incurred by the owner, person, firm or corporation to whom or which the last preceding bill has been rendered or from whom or which the utility has received payment therefor. A current charge for purposes of this section means the amount properly billed the owner, etc., for electricity used during the most recent billing period covered by the first bill rendered on or after the date when the disconnect notice is issued. The current charges will not include any arrears for earlier billing periods that may appear on such a bill.

(d) If occupants in a multiple dwelling find they are unable to reach an agreement with the utility to avoid discontinuance of service, they may contact the Consumer Service Section of the commission's Power Division. After such a request is received, a representative of the Consumer Service Section of the Power Division will attempt to work out such an agreement and will, if necessary, arrange a meeting with occupant representatives, the utility, and the owner, person, firm or corporation responsible for making payment for electric service; provided, however, that such a meeting will be required only if the Consumer Service Section receives a written petition signed by at least 25 percent of the occupants in a multiple dwelling.

(e) The Consumer Service Section may stay a threatened disconnection of service to an entire multiple dwelling where it concludes that good faith efforts are being made by the occupants to arrange for the payment of current electric bills.

(f) Whenever an owner of a multiple dwelling, or the person, firm or corporation responsible for making payment for electric service, fails to pay two consecutive bills for utility service by the time the third bill has been prepared, the utility must notify the commission within 15 days that it has invoked the procedures outlined in subdivisions (a) and (b) of this section. Unless otherwise authorized, the notification should be in the form of a semi-monthly report filed with the Consumer Service Section. Such report should be cumulative, specify the total amount due for each overdue account, the period of arrearage, and indicate if a notice of discontinuance has been sent. If these reports demonstrate a need for changes in collection procedures, the Consumer Service Section shall advise the commission.

(g) Sections 143.3 through 143.6 of this Part shall be applicable with respect to the discontinuance of service to entire multiple dwellings.
143.8 Billing disputes.
(a) Every electric corporation shall establish procedures whereby any complaint filed with such corporation by any customer thereof in regard to any bill for service rendered or any deposit required will be promptly investigated in an appropriate and fair manner, with the result of such investigation being promptly reported to the complaining customer. Such procedures shall allow the acceptance and processing of complaints submitted in simple manner and form. Regardless of whether a notice of discontinuance has previously been sent, the utility's procedures shall provide that pending the utility's investigation it shall not discontinue service or issue a notice of discontinuance; provided, however, the consumer may be required to pay the undisputed portion of a disputed bill or deposit to prevent discontinuance or the issuance of a notice of discontinuance.
(b) If, after the completion of such an investigation, the utility determines that the disputed service has been rendered, or that the disputed charge or deposit is proper, in whole or in part, the utility may require the full bill or deposit or the appropriate portion thereof to be paid; in such event, appropriate notice of the determination shall be given to the customer, and where notice of discontinuance of service has previously been sent, or is served with the determination, such notice shall include a statement advising the customer of the availability of the commission's complaint handling procedures. The utility's procedures may provide for discontinuance of service if the customer fails to pay such required amount after receipt of proper notice, provided that a customer's service will not be discontinued until at least five days after notice of the utility's determination, where personal service is made upon the person supplied, or at least eight days after mailing of such a notice; and provided further that no discontinuance may occur if so precluded by the commission pursuant to section 11.2(d) of this Title.
(c) The utility's procedures shall provide that, where the complaint procedures of the commission have been invoked and it is determined that the disputed service has been rendered, or that the disputed charge or deposit is proper, in whole or in part, a customer's service will not be discontinued for failure to pay the amount found appropriate until at least 15 days after notice of the commission's determination.
(d) The procedures required to be established under this section shall be filed with the commission for review. The commission shall be advised of any substantial changes in such procedures 30 days prior to their proposed implementation to permit commission review.

143.9 Publicizing complaint procedures. (a) Every electric corporation shall, by a notice accompanying a regular bill or otherwise, advise each of its customers annually, unless otherwise directed by the commission, of the procedures available to the customer to register complaints in regard to service or disputed bills. Such notice shall clearly state the means by which a complaint can be made to the company and shall also advise the customer that, if after contacting the company the customer remains dissatisfied, he may contact the New York State Public Service Commission. Such notice shall further state that the Public Service Commission has a staff available to give assistance in such matters, and shall also specify an appropriate address of the Public Service Commission.
Prior to circulating the notice required by subdivision (a) of this section, each utility shall submit to the commission for its approval the form of such notice and the intended program for its distribution.

143.10 Hardship procedures. Each and every electric corporation and gas and electric corporation shall file with the commission and make available for public inspection such corporation's detailed procedures for handling hardship situations where consumers are threatened with disconnection of service. The detailed procedures to be filed under this section shall include the special procedures during the cold weather seasons required by sections 143.12 and 143.13 of this Part. Such corporations shall observe their filed procedures in conducting their disconnection activity.

143.11 Reconnection.
On or before May 31, 1978, all electric corporations shall file with the commission tariff provisions which provide that, except in extreme and unusual circumstances or where a customer requests otherwise, such corporations shall reconnect service to any disconnected residential customer not more than 24 hours after any of the following events:
(a) receipt by the electric corporation of the full amount due (to include arrears; reestablishment charges and associated taxes; collection charges and associated taxes; and a security deposit when requested in writing) for which service had been disconnected;
(b) agreement by the electric corporation to a plan by which the residential customer is obliged to satisfy the arrears; or
(c) direction by the commission or chief--Consumer Services Section, Power or Gas Division of the commission's staff, or their designees. The direction to reconnect service under subdivision (c) of this section should only occur where it reasonably appears, in exceptional circumstances, that there is a legitimate dispute about an unpaid portion of the arrears claimed by a utility, where an apparent error in the disconnection of service has occurred, or where a serious impairment to human health or safety seems to exist.

143.12 Special procedures during cold weather periods. (a) Not later than August 15, 1978, each and every electric corporation and gas and electric corporation shall develop methods to identify all residential households in its service territory which require electric service for heating the premises or operating a heating system. Thereafter, such corporation shall maintain the capability of identifying such residential accounts for the purposes of this section.
(b) During the period beginning November 1 of each year and ending April 15 of the following year, each electric corporation shall observe, at a minimum, the following procedures with respect to residential customers whose electric service is necessary to heat the premises or operate a heating system (as used in this section, the term customer means a residential customer whose electric service is necessary to heat the premises or operate a heating system and includes all customers residing in dwellings not included under section 116 of the Public Service Law):
(1) No such corporation shall terminate service to any customer unless, after service of a final notice of discontinuance, the
corporation has attempted to communicate with the customer, or another person, 18 years of age or older, who resides with the customer, at the customer's residence. At a minimum, the attempt at personal contact shall include one visit at the premises by field personnel during normal working hours and, in the event that personal contact is not achieved, one visit by field personnel during reasonable nonbusiness periods (6 p.m.-9 p.m. on weekdays or 9 a.m.-5 p.m. on Saturdays, Sundays and holidays). If communication with the person contacted is not possible because of an apparent language barrier, the corporation shall take steps to assure communication before discontinuance. During the personal contacts, the corporation's representatives shall fully explain the reasons for discontinuance and shall attempt to ascertain whether a serious impairment to human health may result.

(2) For the purposes of this Part, a serious impairment to human health is indicated if a customer or other person residing in the premises appears to be seriously impaired and may, because of mental or physical problems, be unable to manage his or her own resources, carry out activities of daily living or protect oneself from neglect or hazardous situations without assistance from others. Indicators of serious impairment to human health include but are not limited to:

(i) age, infirmity or mental incapacitation;
(ii) use of life support systems, such as dialysis machines or iron lungs;
(iii) serious illness;
(iv) physical disability, including blindness and limited mobility; and
(v) any other factual circumstances which indicate severe or hazardous health situations.

The above criteria are general standards and the corporation's field personnel must be trained to exercise discretion, sound judgment and common sense in ascertaining whether a serious impairment to human health exists. Doubts should be resolved in favor of continued service.

(3) No such corporation shall terminate service for nonpayment where a customer or other person residing in the premises exhibits a serious impairment to human health, as described in paragraph (b)(2) of this section, unless:

(i) the corporation notifies the local social services commissioner orally and within five days in writing, on forms prescribed or approved by the commission (Appendix 16 contains the suggested form), that the customer or other person residing in the premises exhibits a serious impairment to human health; and
(ii) the local social services commissioner, after an investigation, informs the corporation that the health-impairing condition does not exist or is not serious, or that an alternative means for protecting the person's health has been devised.

The corporation may exercise its own discretion with respect to terminating service to the customer in the event it does not receive an oral or written report from the local social services commissioner within 15 business days after the written referral of the matter by the corporation to the commissioner.

(4) If such a corporation terminates electric service to a customer because of nonpayment, and the customer or a person 18 years of age or older residing on the premises was not personally contacted by the corporation before termination of service and has not communicated with
the corporation for the purpose of requesting reconnection before 12 noon on the day following termination of service, the corporation shall immediately attempt to determine, by onsite inspection, direct personal contact at the premises with the residential customer or other adult person, or other reasonable measures, whether there is continuing occupancy and whether a serious impairment to human health, as described in paragraph (b)(2) of this section, exists. If the corporation determines that a customer or other person residing in the premises faces impairment to his or her health, it shall immediately restore the electric service and the requirements of paragraph (b)(3) of this section shall apply. If the corporation is unable to obtain personal contact with the customer or an adult residing on the premises, and does not have reasonable grounds to believe that the customer has vacated the premises, it shall immediately refer the name and address of the customer to the local commissioner of social services, in accordance with the procedures set forth in paragraph (b)(3) of this section.

(5) Each such corporation shall designate an employee who will serve as a liaison with local social services departments.

(6) Each such corporation shall file with the commission for its review the procedures to be followed by the corporation's personnel in complying with these special procedures.

(c) If such corporation decides to disconnect electric service to a residential customer because it has established that the meter or service laterals have been tampered with or a theft of service has occurred, it shall attempt to determine, according to the procedures set forth in paragraphs (b)(1) and (2) of this section, whether a serious impairment would result from service disconnection. If such corporation ascertains that a serious impairment to human health would result, it shall observe the procedures set forth in paragraphs (b)(3) and (4) of this section; provided, however, that the requirement of continued service shall not apply in the event it is impractical for such corporation to eliminate any unsafe condition. In any case where a serious impairment is found and the corporation terminates service to preclude the continuation of an unsafe condition, it shall specially notify the local social services commissioner on the same day service is disconnected and request an immediate consideration of the case.

Comment: If a utility discovers a meter tampering or theft situation and determines that a serious impairment exists, it should continue service, pending DSS review, provided that service can be rendered safely. For example, if a utility discovers that the meter of a "locked account" is advancing, it should, in most circumstances, be able to continue service in a safe manner. In other theft cases, particularly those involving gas service, the need for rendering the condition safe may preclude the continuation of service. For example, if a gas utility discovers unsafe piping, an unsafe meter bypass or substantial damage to the meter, termination may be the best method of eliminating the unsafe condition. If the utility cannot readily repair the unsafe condition or, in the case of a gas company, cannot obtain access to the pilot lights (which would have to be relit), immediate restoration of service would not be practical. The utility should specifically note, in its referrals to DSS, those cases where heat-related service is not restored or continued so that DSS may give immediate attention to them.
nonpayment or theft of service. Not earlier than September 1 nor later
than November 1 of every year, each electric corporation and gas and
electric corporation shall conduct a survey of all former residential
customers whose electric service was used for heating the premises or
operating a heating system, was terminated for nonpayment, meter or
service lateral tampering, or theft of service during the 12-month
period ending on November 1 of that year, and has not been restored. The
purpose of the survey is to determine whether a continued lack of
service may expose the former customer or other person residing in the
premises to a serious impairment to human health as defined in
subdivision (b) of section 143.12 of this Part. If the corporation
determines that a former residential customer or other person residing
in the premises may be exposed to a serious impairment to human health
as defined in subdivision (b) of section 143.12 of this Part, it shall
restore the electric service immediately, unless the customer refuses to
permit such corporation to restore service or, in theft or tampering
situations, unless it is impractical for the corporation to eliminate an
unsafe condition, and the requirements of subdivision (b) of section
143.12 of this Part shall apply. If the corporation is unable to obtain
personal contact with the customer or an adult residing on the premises
or the customer refuses to permit service restoration, it shall
immediately refer the name and address of the former customer to the
local commissioner of social services in accordance with the procedures
set forth in paragraph (b)(3) of section 143.12 of this Part, unless the
corporation has reasonable grounds to believe that the former customer
has permanently vacated the premises.

143.14 Voluntary third-party notice prior to discontinuance of
service. (a) Each and every electric, electric and gas and municipal
electric corporation shall permit a residential consumer to designate a
third party to receive a copy of every notice of discontinuance of
service sent to such residential consumer, provided that such third
party indicates in writing his or her willingness to receive such
notices.

(b) Such corporations shall notify residential consumers annually of
the availability of the third-party notice procedure.

143.15 Installment plans for residential customers. No such
corporation shall terminate service to a customer because of the
customer's failure to pay for service unless the corporation has first
offered a monthly installment plan that is just and equitable. Each
corporation must offer a just and equitable monthly plan to all
customers whose service has been disconnected for nonpayment. To the
extent practicable, the monthly installment plan should be based on the
customer's ability to pay, past payment history, the amount of
indebtedness, and the availability of other resources. The monthly
installment plan should require a customer to pay current bills and a
portion of past indebtedness. A new monthly installment plan need not be
offered to a customer who is in default on an existing one.
145.1 General
145.2 Standards
145.3 Rate of interest
145.4 Limitations

Section 145.1 General.
Every electric corporation or municipality shall provide interest on
customer overpayments according to the standards and criteria set forth
in this Part.

Section 145.2 Standards.
A customer overpayment is defined as payment by the customer to the
utility in excess of the correct charge for electric service supplied to
the customer which was caused by erroneous billing by the utility.

Section 145.3 Rate of interest.
The rate of interest on such amounts shall be the greater of the
unadjusted customer deposit rate or the applicable late payment rate, if
any, for the service classification under which the customer was billed.
Interest shall be paid from the date when the customer overpayment was
made, adjusted for any changes in the deposit rate or late payment rate,
and compounded monthly, until the date when the overpayment was
refunded.

Section 145.4 Limitations. This Part applies to refunds returned to customers
after the effective date of these rules. No electric corporation or
municipality shall be required to pay interest on customer overpayments
that are refunded within 30 days after such overpayment is received by
the electric corporation or municipality.

SUBCHAPTER E
Records; Reports
PART
150 - 152 (Reserved)
153 Retention by Electric Corporations of Records at Principal Office
154 Continuing Property Records--Electric Corporations

Section 152.1 Scope of this Part. (a) The regulations in this Part
apply to all books of account and other records prepared by or on behalf
of every electric, gas, steam and waterworks corporation and municipal
electric, gas and steam utility, and shall become effective January 1,
1973. See item 64 of the schedule of records and periods of retention
for those records which come into possession of the electric, gas, steam
and waterworks corporation and municipal electric, gas and steam utility
in connection with the acquisition of property, such as purchase,
consolidation, merger, etc.

(b) The regulations in this Part shall not be construed as excusing
compliance with any other lawful requirement for the preservation of
records for periods longer than those prescribed herein.

(c) Unless otherwise specified in the schedule of records and periods
of retention, duplicate copies of records may be destroyed at any time;
provided, however, that such duplicate copies contain no significant
information not shown on the originals.

(d) Records other than those listed in the schedule of records and
periods of retention may be destroyed at the option of the electric, gas, steam and waterworks corporation and municipal electric, gas and steam utility; provided, however, that records which are used in lieu of those listed shall be preserved for the periods prescribed for the records used for substantially similar purposes. And, provided further, that retention of records pertaining to added services, functions, plant, etc., the establishment of which cannot be presently foreseen, shall conform to the principles embodied herein.

(e) Notwithstanding the provisions of the schedule of records and periods of retention, the commission may, upon the request of the company, authorize a shorter period of retention for any record listed therein upon a showing by the company that preservation of such record for a longer period is not necessary or appropriate in the public interest or for the protection of investors or consumers.

SO DOC 16A-152.10

152.10 Schedule of records and periods of retention. This schedule, contained in Appendix 4-A, infra shows the period of time designated records shall be preserved. However, records related to plant shall be retained a minimum of 25 years unless accounting adjustments resulting from reclassification and original cost studies have been approved by the commission and approved continuing plant inventory records are maintained.

SO DOC 16A-152.11

152.11 Retention periods designated "destroy at option." Use of the retention period, "destroy at option," in the regulations in this Part constitutes authorization for such destruction under the conditions specified for the particular types of records, only if such optional destruction is appropriate to limited managerial interest in such records and if such optional destruction is not in conflict with other legal retention requirements or usefulness of such records in satisfying pending regulatory actions or directives.

SO DOC 16A-152.12

152.12 Records of services performed by associated companies. The electric, gas, steam and waterworks corporation or municipal electric, gas and steam utility to which the regulations in this Part apply shall assure the availability of records of services performed by associated companies for the periods indicated herein, as are necessary, to support the cost of services rendered to it by an associated company.

SO DOC 16A-152.13

152.13 Index of records. At each office of the electric, gas, steam and waterworks corporation and municipal electric, gas and steam utility where records are kept or stored, such records as are herein required to be preserved shall be so arranged, filed and currently indexed that they may be readily identified and made available to representatives of the commission.

SO DOC 16A-PT153

PART 153
RETENTION BY ELECTRIC CORPORATIONS OF RECORDS AT PRINCIPAL OFFICE
(Statutory authority: Public Service Law, § 66(1))

Sec.
153.1 Retention of records at principal office required
153.2 Notice of transfer

SO DOC 16A-153.1

Section 153.1 Retention of records at principal office required. Every
corporation, company, association, joint-stock association, partnership and person under the jurisdiction of this commission shall retain possession of all accounts, books, contracts, records, documents and papers, and hold them for inspection by the Public Service Commission or its agents or employees at the principal office of such corporation, company, association, joint-stock association, partnership and person under the jurisdiction of this commission until this commission has approved of the transfer of its or their property.

153.2 Notice of transfer.

No such accounts, books, contracts, records, documents and papers shall be transferred from the principal office of such corporation, company, association, joint-stock association, partnership and person under the jurisdiction of this Commission until notice of such transfer has been filed, in accordance with the requirements of 3.5 of this Title, to the Commission and approval thereof granted.

PART 154
CONTINUING PROPERTY RECORDS--ELECTRIC CORPORATIONS
(Statutory authority: Public Service Law, § 66(1))

Sec.
154.1 Corporations affected
154.2 Requirements of continuing property records
154.3 Completion of continuing property records
154.4 Filing of proposed record units
154.5 Certain records required
154.6 Original cost defined
154.7 Amounts charged in previous years to operating expenses

Section 154.1 Corporations affected. Every electric or gas and electric corporation having annual electric operating revenues of $100,000 or over shall establish, provide and maintain continuing property records of its property used wholly or partly in electric operations.

154.2 Requirements of continuing property records.

Such continuing property record shall comply with the following requirements:

(a) Such record shall be divided into continuing property record units which shall be arranged to conform with the operating property or the fixed capital accounts and shall include a description of each of such units.

(b) The original cost of each of such units shall be set forth, provided that in those cases where the original cost cannot be ascertained without unreasonable expense, such original cost shall be estimated.

(c) Except as otherwise provided herein, there shall be shown for property hereafter installed, and for present property so far as can be ascertained, either in such record or in supporting data thereto, for each of such units, the date when charged to operating property or fixed capital, the local of the property, the manufacturer's name and any number or other identification mark imprinted thereon, the accounting company number or designation, and such other description as may be necessary to plainly identify the property and the associated original
cost thereof.

(d) When transformers or meters or major units of power plant or substation equipment have been retired and subsequently reinstalled, the date when such property was first charged to operating property or fixed capital shall also be shown.

(e) Such property record shall show separately the units located in each city, village or town, and in the case of New York City in each borough, and in each power plant and substation. When a corporation desires a modification of this requirement, application should be made to the commission.

(f) There shall be shown by appropriate reference the source of all entries; and all drawings and computations and other detail records, supporting either the quantities or the cost included in the continuing property record, shall be retained.

(g) The original cost of each parcel of land and each structure owned in fee shall be set forth and no further subdivision need be shown.

(h) The original cost of easements for right-of-way shall be separately set forth for each transmission line.

(i) Transmission and distribution property (except substation equipment), consisting of a large number of similar units, may be grouped and only the average unit cost need be set forth for similar units of each size installed during a calendar year.

154.3 Completion of continuing property records. Every electric corporation or gas and electric corporation affected by this Part shall file on or before February 1, 1937, a statement setting forth the continuing property record units proposed to be used in its continuing property record.

154.4 Filing of proposed record units.

(a) The continuing property record herein ordered to be established shall be completed as to property installed prior to January 1, 1937, on or before December 31, 1937. When a corporation desires a modification of this requirement, application should be made to the commission on or before November 1, 1937.

(b) Upon the completion of the continuing property record of property acquired prior to January 1, 1937, notice shall be given to this commission.

154.5 Certain records required. (a) Each corporation affected by this Part shall keep such records of property and property retirements as will reflect, so far as practicable, the service life of all property retired, and will permit the determination of the age of all existing property; and also such records as will reflect the salvage and cost of removal of property retired from each account including property used wholly or partly in electric operations.

(b) Each such corporation shall also maintain such records supporting its books of account as are necessary to show the reserves accumulated to provide for depreciation or ultimate retirement of its property used wholly or partly in electric operations, separately for each operating property or fixed capital account.

154.6 Original cost defined. The term original cost when used herein means the cost of such property to the person or corporation first
devoting it to public service.

154.7 Amounts charged in previous years to operating expenses. Nothing herein stated shall be taken as permitting the recording in the original cost shown in the continuing property record of amounts charged in previous years to operating expenses, operating taxes or other income or surplus accounts.

SUBCHAPTER F
Uniform Systems of 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 June 16, 1970 resolution, is authorized and permitted to keep its records and accounts in conformity with the Uniform Systems of Accounts as amended commencing January 1, 1970.

PART
Article 1 Classes A and B
165
Article 2 Classes C and D
180
Article 3 Municipal Electric Utilities
195

ARTICLE 1
Classes A and B

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 June 16, 1970 resolution, is authorized and permitted to keep its records and accounts in conformity with the Uniform Systems of Accounts as amended commencing January 1, 1970.

PART
165 General Provisions
166 Instructions--General
167 System of Accounts Prescribed
168 - 172 (Reserved)
Accounts

PART 165
GENERAL PROVISIONS

(Statutory authority: Public Service Law, § 66(4))

Sec.
165.1 Authorization of uniform system of accounts for Classes A and B

Section 165.1 - Authorization of uniform system of accounts for Classes A and B.

(a) The uniform system of accounts for electric corporations (Classes A and B) is hereby prescribed for every electric corporation (as that term is defined in the Public Service Law) that has annual operating revenues from electric operations of $1,000,000 or more, subject to the jurisdiction of this commission; and every such electric corporation is hereby required, by no later than January 1, 2000, to keep its records and accounts in conformity therewith.
(b) During the 12 months following the date on which the uniform system of accounts becomes effective, any such electric 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) 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. 

(d) In the system of accounts, Commission means the Public Service Commission of the State of New York.

Sec.
166.1 Classification of utilities
166.2 Records

Section 166.1 Classification of utilities.
(a) For the purpose of applying systems of accounts prescribed by the commission, utilities are divided into four classes as follows:

Class A. Utilities having annual electric operating revenues of $2,500,000 or more.

Class B. Utilities having annual electric operating revenues of $1,000,000 or more, but less than $2,500,000.

Class C. Utilities having annual electric operating revenues of $150,000 or more, but less than $1,000,000.

Class D. Utilities having annual electric operating revenues of $25,000 or more, but less than $150,000.

(b) This system of accounts applies to Class A and Class B utilities. The system of accounts applicable to Class C and Class D utilities is issued separately.

(c) The class to which any utility belongs shall originally be determined by the average of its annual electric operating revenues for the last three consecutive years. Subsequent changes in classification shall be made when the annual electric operating revenues for each of the three immediately preceding years shall exceed the upper limit, or be less than the lower limit, of the annual electric operating revenues of the classification previously applicable to the utility.

Section 166.2 Records.
The books and records referred to in this section include not only accounting records in a limited technical sense, but all other records, such as minute books, stock books, reports, correspondence, memoranda, etc. that may be useful in developing the history of, or facts regarding, any transaction. All such records in the system of accounts discussed below shall be accessible, at all times, to the authorized representatives of the commission at a location within the State of New York, unless the company is specifically exempted by order of the commission.
Sec.
167.1 System of accounts prescribed
167.2 Records for territorial subdivisions
167.3 Work order and property record system required
167.4 Spreading of income, revenue, and expense items
167.5 Revenues from the distribution of electricity of others
167.6 Gains or losses from the settlement of asset retirement obligations

Section 167.1 System of accounts prescribed.
Each Class A and Class B electric utility shall keep its accounts in conformity with the Code of Federal Regulations (Revised as of April 1, 2015), Title 18, Conservation of Power and Water Resources, Subchapter C - Accounts, Federal Power Act, Part 101, Uniform System of Accounts Prescribed for Public Utilities and Licenses Subject to the Provisions of the Federal Power Act. (As further described in Section 10.2 (b) of these regulations).

Section 167.2 Records for territorial subdivisions.
To the extent that a utility's customer rates are based on a cost area or accounting division, the records that support those rates shall be maintained.

Section 167.3 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 electric 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-Electric, 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 electric 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-Electric, 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.

SO DOC 16A-167.4
NYCRR

167.4 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.

SO DOC 16A-167.5
NYCRR
167.5 Revenues from the distribution of electricity of others.

Revenues from the distribution of electricity to the utility's customers where the electricity is provided by a party other than the utility shall be included in account 456.2, Revenues from the Distribution of Electricity of Others. Subsidiary accounts shall be maintained to break down these revenues according to the classification of accounts under the sales of electricity revenue accounts. Records shall be maintained so that the quantity of electricity delivered and the revenue received under each rate schedule shall be readily available.

167.6 Gains or losses from the settlement of asset retirement obligations.

Gains or losses resulting from the settlement of asset retirement obligations associated with utility plant resulting from the difference between the amount of the liability for the asset retirement obligation included in account 230, Asset Retirement Obligation, and the actual amount paid to settle the obligation shall be accounted for as follows:

(a) gains shall be credited to account 108, Accumulated Provision for Depreciation of Electric Utility Plant, and;
(b) losses shall be charged to account 108, Accumulated provision for Depreciation of Electric Utility Plant.

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 12, 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.

1. UTILITY PLANT
101. Electric Plant in Service
102. Electric Plant Purchased or Sold
103. Experimental Electric Plant Unclassified
104. Electric Plant Leased to Others
105. Electric Plant Held for Future Use
106. Completed Construction Not Classified--Electric
107. Construction Work in Progress--Electric
108. Accumulated Provision for Depreciation of Electric Plant in Service
109. Accumulated Provision for Depreciation of Electric Plant Leased to Others
110. Accumulated Provision for Depreciation of Electric Plant Held for Future Use
111. Accumulated Provision for Amortization of Electric Plant in Service
112. Accumulated Provision for Amortization of Electric Plant Leased to Others
113. Accumulated Provision for Amortization of Electric Plant Held for Future Use
114. Electric Plant Acquisition Adjustments
115. Accumulated Provision for Amortization of Electric Plant Acquisition Adjustments
118.1 Common Utility Plant
118.2 Other Utility Plant
119.1 Accumulated Provision for Depreciation and Amortization of Common Utility Plant
119.2 Accumulated Provision for Depreciation and Amortization of Other Utility Plant
120. Nuclear Fuel Assemblies
120.5 Accumulated Provision for Amortization of Nuclear Fuel Assemblies
2. OTHER PROPERTY AND INVESTMENTS
121. Nonutility Property
122. Accumulated Provision for Depreciation and Amortization of Nonutility Property
123. Investment in Associated Companies
123.1 Investment in Subsidiary Companies
124. Other Investments
125. Sinking Funds
126. Depreciation Fund
128. Other Special Funds
3. CURRENT AND ACCRUED ASSETS
131. Cash
132. Interest Special Deposits
133. Dividend Special Deposits
134. Other Special Deposits
135. Working 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
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. 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

5. 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--Debt

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 DEBITS

1. UTILITY PLANT
101. Electric Plant in Service
  A. This account shall include the original cost of electric 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 electric
  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 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 electric plant instruction 168.6.)

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. Electric Plant Purchased or Sold
This account shall be charged with the cost of electric 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 electric plant instruction 168.5.

103. Experimental Electric Plant Unclassified
A. This account shall include the cost of electric plant which was constructed as a research and development plant under the provisions of paragraph C, account 107, Construction Work in Progress--Electric, 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, Electric 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 Electric 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, Electric 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 the 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. Electric Plant Leased to Others
A. This account shall include the original cost of electric 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 electric plant in service, and this account shall be maintained in such detail as though the property were used by the owner in its electric operations.

105. Electric Plant Held for Future Use
A. This account shall include the original cost of electric plant (except land and land rights) owned and held for future use in electric 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 electric 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 service, but retired from such service and held pending its reuse in the future under a definite plan, in electric service.

B. This account shall also include the original cost of land and land rights owned and held for future use in electric service under a plan for such use, to include land and land rights: (1) acquired but never used by the utility in electric service, but held for such service in the future under a plan, and (2) previously held by the utility in electric service, but retired from such service and held pending its reuse in the future under a plan, in electric service. (See Electric Plant instruction 168.7.)

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 accounts 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 detail accounts (301 to 399) prescribed for electric plant in service and the account shall be maintained in such detail as though the property were in service.

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

106. Completed Construction Not Classified--Electric

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 electric plant which has been completed and placed in service but which work orders have not been classified for transfer to the detailed electric plant accounts.

Note: For the purpose of reporting to the commission, the classification of electric 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 electric plant in service.

107. Construction Work in Progress--Electric

A. This account shall include the total of the balances of work orders for electric 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 hydroelectric project, a steam station, or a transmission line, is
designed to consist of two or more units or circuits 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 electric 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.

108. Accumulated Provision for Depreciation of Electric 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), in 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 electric properties acquired as operating units or systems. (See electric plant instruction 168.5.)
   (3) Amounts charged to account 182, Extraordinary Property Losses, when authorized by the commission.

B. At the time of retirement of depreciable electric 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 electric plant instruction 168.10, subd. (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 electric plant accounts. Such subsidiary records shall reflect the current credits and debits to this account in sufficient detail to show separately for each primary electric 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, general instruction 166.12, subd. (d).)

D. When transfers of plant are made from one electric 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 electric plant instruction 168.12.

E. The utility is restricted in its use of the accumulated provision
109. Accumulated Provision for Depreciation of Electric Plant Leased to Others

A. This account shall be credited with amounts charged to account 413, Expenses of Electric Plant Leased to Others, for current depreciation expense of property included in account 104, Electric 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 Electric 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 Electric 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, Electric Plant Held for Future Use. Include also the balance of accumulated provision for depreciation on property which may be transferred to account 105, Electric 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 electric plant in service. However, if special circumstances indicate the propriety of current accruals for depreciation, such charges shall be made to account 421, Miscellaneous Non-operating Income.

111. Accumulated Provision for Amortization of Electric Plant In Service

A. This account shall be credited with amounts charged to account 404, Amortization of Limited-term Electric Plant, for the current amortization of limited-term electric investments. It shall be credited also with amounts which may be charged to account 405, Amortization of Other Electric Plant, to account 425, Miscellaneous Amortization, to amortize intangible or other electric plant which does not have a definite or terminable life and is not subject to charges for depreciation expense.

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 421.2, Loss on Disposition to 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 Provision for Amortization of Electric Plant Leased to Others

A. This account shall be credited with amounts charged to account 413, Expenses of Electric Plant Leased to Others, for the current amortization of limited-term or other investments subject to amortization included in account 104, Electric Plant 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.

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.

113. Accumulated Provision for Amortization of Electric 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, Electric Plant Held for Future Use. Include, also, the balance of accumulated provision for amortization on property which may be transferred to account 105, Electric 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.

114. Electric Plant Acquisition Adjustments

A. This account shall include amounts determined in accordance with electric plant instruction 168.5 representing the difference between (1) the amount of money actually paid (or the current money value of any consideration other than money exchanged) for electric 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 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 electric plant in service, electric plant held for future use, and
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 Electric Plant Acquisition Adjustments

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

118.1 Common Utility Plant

This account shall include the balances in accounts for utility plant which is used in common for electric operations and other operations. (See electric plant instruction 168.13.)

118.2 Other Utility Plant

A. This account shall include the balances in accounts for utility plant, other than electric 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 gas, 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 166.12 and electric plant instruction 168.13.)

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 gas, steam, etc., the appropriate accounts in such systems shall be used instead of this account.

120. Nuclear Fuel Assemblies

This account shall include, in the appropriate subaccounts hereof, the cost of nuclear fuel in utility plant owned for use by the utility in
its electric operations. This account shall be maintained according to subaccounts 120.1 to 120.4 inclusive, as shown below.

120.1 Nuclear Fuel in Process
A. This account shall include the original cost to the utility of nuclear fuel material while in process of refinement, conversion, enrichment and fabrication into nuclear fuel assemblies and components including processing, fabrication and necessary shipping costs. This account shall also include the salvage value of nuclear materials which are actually being reprocessed for use and were transferred from account 120.5, Accumulated Provision for Amortization of Nuclear Fuel Assemblies. (See definition 19.)
B. This account shall be credited and account 120.2, Nuclear Fuel Materials and Assemblies in Stock, shall be debited for the cost of completed fuel assemblies delivered for use in refueling or to be held as spares.

ITEMS
1. Cost of natural uranium, uranium ores concentrates or other nuclear fuel sources, such as thorium, plutonium, and U-233.
2. Value of recovered nuclear materials being reprocessed for use.
3. Milling process costs.
4. Sampling and weighing, and assaying costs.
5. Purification and conversion process costs.
6. Costs of enrichment by gaseous diffusion or other methods.
7. Costs of fabrication into fuel forms suitable for insertion in the reactor.
8. All shipping costs of materials and components, including shipping of fabricated fuel assemblies to the reactor site.
9. Use charges on leased nuclear materials while in process of refinement, conversion, enrichment and fabrication.
120.2 Nuclear Fuel Materials and Assemblies In Stock
A. This account shall be debited and account 120.1, Nuclear Fuel in Process, shall be credited with the cost of fabricated fuel assemblies delivered for use in refueling or to be carried in stock as spares. It shall also include the original cost of fabricated fuel assemblies purchased in completed form. This account shall also include the original cost of partially irradiated fuel assemblies being held in stock for reinsertion in a reactor which had been transferred from account 120.3, Nuclear Fuel Assemblies in Reactor.
B. When fuel assemblies included in this account are inserted in a reactor, this account shall be credited and account 120.3, Nuclear Fuel Assemblies in Reactor, debited for the cost of such assemblies.
C. This account shall also include the cost of nuclear materials and by-product materials being held for future use and not actually in process of refinement, conversion, enrichment and fabrication.
120.3 Nuclear Fuel Assemblies in Reactor
A. This account shall include the cost of nuclear fuel assemblies when inserted in a reactor for the production of electricity. The amounts included herein shall be transferred from account 120.2, Nuclear Fuel Materials and Assemblies in Stock.
B. Upon removal of fuel assemblies from a reactor, the original cost of the assemblies removed shall be transferred to account 120.4, Spent Nuclear Fuel, or account 120.2, Nuclear Fuel Materials and Assemblies in Stock, as appropriate.
120.4 Spent Nuclear Fuel
A. This account shall include the original cost of nuclear fuel assemblies, in the process of cooling, transferred from account 120.3, Nuclear Fuel Assemblies in Reactor, upon removal from a reactor pending reprocessing.

B. This account shall be credited and account 120.5.4, debited for fuel assemblies after the cooling period is over, at the cost recorded in this account.

120.5 Accumulated Provision for Amortization of Nuclear Fuel Assemblies
A. This account shall include, in the appropriate subaccounts hereof, the provision for amortization of the net cost of nuclear fuel assemblies used in the production of energy.

B. When a batch of spent fuel assemblies has been disposed of and the recoverable material, if any, determined, the amounts with respect to such batch included in the subaccounts hereof shall be cleared from said subaccounts and the remaining difference in such cleared amounts shall be debited or credited, as the case may be, to account 518.1, Nuclear Fuel.

120.5.1 Provision for Fuel Burn-up
This account shall be credited and account 518.1, Nuclear Fuel, charged with the amortization of the cost of nuclear fuel assemblies used in the production of energy.

120.5.2 Provision for Chemical Processing
A. This account shall be credited and account 518.1, Nuclear Fuel, charged periodically on a reasonable basis with the estimated cost of chemical processing and related transportation that may be incurred in connection with the disposal of spent fuel elements and the recovery of nuclear and by-product materials.

B. This account shall be charged with the actual costs incurred in connection with the disposal of spent fuel elements and the recovery of nuclear by-product materials.

120.5.3 Recovered Materials
A. This account shall be debited and account 518.1, Nuclear Fuel, credited with the estimated value of nuclear and by-product materials to be recovered from spent fuel elements. When such material has been recovered, this account shall be credited with corresponding debits to accounts 120.1, 120.2, or 150.157, as appropriate.

B. Material chargeable to account 150.157, Nuclear By-Product Materials, shall be entered at market value, estimated if not known.

C. Material chargeable to account 120.1, Nuclear Fuel in Process, or account 120.2, Nuclear Fuel Materials and Assemblies in Stock, shall be entered at current market value.

120.5.4 Retired Nuclear Fuel
This account shall be charged with amounts transferred from account 120.4, Spent Nuclear Fuel.

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, Electric 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 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 collectible obligations in the form of notes receivable and similar evidences (except interest coupons) of money due on demand or within one year from the date of issue, 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 thereto. 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-offs 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 small tools and unapplied materials and supplies, including fuel; residuals; plant materials and operating supplies; merchandise for sale; and materials and supplies held primarily for nonutility purposes. 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 adjustment, 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 150.163, 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: Line transformers, customer meters, and such associated devices as are retirement units, in stock or undergoing repairs shall not be included in this account, but in account 368, Line Transformers, or account 370, Meters, 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.
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.

4. Operating, maintenance and depreciation expenses and ad valorem taxes on utility-owned transportation equipment used to transport fuel from the point of acquisition to the unloading point.

5. Lease or rental costs of transportation equipment used to transport fuel from the point of acquisition to the unloading point.

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 any residuals produced in production or manufacturing processes.

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 electric plant instruction 168.3, item (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.

150.157 Nuclear By-Product Materials
A. This account shall include the market value of uranium, plutonium and other nuclear materials held by the company for sale or other disposition and that are not to be reused by the company in its electric utility operations. This account shall be debited and account 120.5.3, Recovered Materials, credited for such market value. Any difference between the amount recorded in this account and the actual amount realized from the sale of materials shall be debited or credited, as appropriate, to account 518.1, Nuclear Fuel, at the time of such sale.
B. Significant declines in the estimated value of items carried in this account may be recognized at the time of market price declines by crediting this account and charging account 518.1.

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 stores 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 costs 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.
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.

165. Prepayments
This account shall include amounts representing prepayments of insurance, rents, taxes, interest and miscellaneous items, and shall be kept or supported in such manner as to disclose the amount of each class of prepayment.

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 electric energy.

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 general instruction 166.20.

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. 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. 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 account. (See general instruction 166.17.)

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 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 general instructions 166.2, subd. (d), and 166.14, subd. (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 451, 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, Electric 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, Electric 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 (23) (ii) of the Uniform System 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 are incurred.

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 CREDITS

5. 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 therefore 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 166.20.

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 166.14.)

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

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 167.2.)
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
166.20.)
226. Unamortized Discount on Long-term Debt--Debit
A. This account shall include the excess of the face value of
long-term 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
166.20.)
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
there to. 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 166.7(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 accrued
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 electric 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 electric plant instruction 168.2, 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 credit 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 electric 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 electric 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 as 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, Electric Plant Held for Future Use, under the provisions of paragraphs 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, Electric 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 an electric utility department, the utility operates another department, such as gas, 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 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 1954, 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 non-liberalized 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 for 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 on 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 an addition to an electric utility department, the utility operates another department such as gas, 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 general instruction 166.20, subdivision (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 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, 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 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 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 166.11.)
B. Charges shall be made to this account for losses covered by self-insurance. 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 166.11.)
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 166.11 and 166.16; 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.

ELECTRIC PLANT ACCOUNTS

1. INTANGIBLE PLANT
   301. Organization
   302. Franchises and Consents
   303. Miscellaneous Intangible Plant

2. PRODUCTION PLANT
   A. STEAM PRODUCTION
      310. Land and Land Rights
      311. Structures and Improvements
      312. Boiler Plant Equipment
      313. Engines and Engine Driven Generators
      314. Turbogenerator Units
      315. Accessory Electric Equipment
      316. Miscellaneous Power Plant Equipment
   B. NUCLEAR PRODUCTION
      320. Land and Land Rights
      321. Structures and Improvements
      322. Reactor Plant Equipment
      323. Turbogenerator Units
      324. Accessory Electric Equipment
      325. Miscellaneous Power Plant Equipment
   C. HYDRAULIC PRODUCTION
      330. Land and Land Rights
      331. Structures and Improvements
      332. Reservoirs, Dams and Waterways
      333. Water Wheels, Turbines and Generators
      334. Accessory Electric Equipment
      335. Miscellaneous Power Plant Equipment
      336. Roads, Railroads and Bridges
   D. OTHER PRODUCTION
      340. Land and Land Rights
      341. Structures and Improvements
      342. Fuel Holders, Producers and Accessories
      343. Prime Movers
      344. Generators
      345. Accessory Electric Equipment
      346. Miscellaneous Power Plant Equipment

3. TRANSMISSION PLANT
   350. Land and Land Rights
   352. Structures and Improvements
   353. Station Equipment
   354. Towers and Fixtures
   355. Poles and Fixtures
   356. Overhead Conductors and Devices
   357. Underground Conduit
   358. Underground Conductors and Devices
   359. Roads and Trails

4. DISTRIBUTION PLANT
   360. Land and Land Rights
   361. Structures and Improvements
   362. Station Equipment
   363. Storage Battery Equipment
   364. Poles, Towers and Fixtures
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 this account*.

*So in original.

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 expenses 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, Accumulated Provision for Amortization of Electric 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 electric 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, Accumulated Provision for Amortization of Electric 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. Steam Production

310. Land and Land Rights

This account shall include the cost of land and land rights used in connection with steam power generation. (See electric plant instruction 168.7.)

311. Structures and Improvements

This account shall include the cost in place of structures and improvements used in connection with steam power generation. (See electric plant instruction 168.8.)

Note: Include steam production roads and railroads in this account.

312. Boiler Plant Equipment

This account shall include the cost installed of furnaces, boilers, coal and ash handling and coal preparing equipment, steam and feed water piping, boiler apparatus and accessories used in the production of steam, mercury, or other vapor, to be used primarily for generating electricity.
ITEMS

1. Ash handling equipment, including hoppers, gates, cars, conveyors, hoists, sluicing equipment, including pumps and motors, sluicing water pipe and fittings, sluicing trenches and accessories, etc., except sluices which are a part of a building.
   1a. Sintering plant equipment.
2. Boiler feed system, including feed water heaters, evaporator condensers, heater drain pumps, heater drainers, deaerators, and vent condensers, boiler feed pumps, surge tanks, feed water regulators, feed water measuring equipment, and all associated drives.
4. Boilers and equipment, including boilers and baffles, economizers, superheaters, soot blowers, foundations and settings, water walls, arches, grates, insulation, blowdown system, drying out of new boilers, also associated motors or other power equipment.
5. Breeching and accessories, including breeching, dampers, soot spouts, hoppers and gates, cinder eliminators, breeching insulation, soot blowers and associated motors.
6. Coal handling and storage equipment, including coal towers, coal lorries, coal cars, locomotives and tracks when devoted principally to the transportation of coal, hoppers, downtakes, unloading and hoisting equipment, skip hoists and conveyors, weighing equipment, magnetic separators, cable ways, housings and supports for coal handling equipment.
7. Draft equipment including air preheaters and accessories, induced and forced draft fans, air ducts, combustion control mechanisms, and associated motors or other power equipment.
8. Gas burning equipment, including holders, burner equipment and piping, control equipment, etc.
9. Instruments and devices, including all measuring, indicating, and recording equipment for boiler plant service together with mountings and supports.
10. Lighting systems (not chargeable to structures).
11. Oil burning equipment, including tanks, heaters, pumps with drive, burner equipment and piping, control equipment, etc.
12. Pulverized fuel equipment, including pulverizers, necessary motors, primary air fans, cyclones and ducts, dryers, pulverized fuel bins, pulverized fuel conveyors and equipment, burners, burner piping, priming equipment, air compressors, motors, etc.
13. Stacks, including foundations and supports, stack steel and ladders, stack brick work, stack concrete, stack lining, stack painting (first), when set on separate foundations, independent of substructure or superstructure of building.
14. Station piping, including pipe, valves, fittings, separators, traps, desuperheaters, hangers, excavation, covering, etc., for station piping system, including all steam, condensate, boiler feed and water supply piping, etc., but not condensing water, plumbing, building heating, oil, gas, air piping or piping specifically provided for in account 313.
15. Stoker or equivalent feeding equipment, including stokers and accessory motors, clinker grinders, fans and motors, etc.
16. Ventilating equipment.
17. Water purification equipment, including softeners and accessories, evaporators and accessories, heat exchangers, filters, tanks for
filtered or softened water, pumps, motors, etc.

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

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

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

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

313. Engines and Engine Driven Generators

This account shall include the cost installed of steam engines, reciprocating or rotary, and their associated auxiliaries; and engine driven main generators, except turbogenerator units.

ITEMS

1. Air cleaning and cooling apparatus, including blowers, drive equipment, air ducts not a part of building, louvers, pumps, hoods, etc.
2. Belting, shafting, pulleys, reduction gearing, etc.
3. Circulating pumps, including connections between condensers and intake and discharge tunnels.
4. Cooling system, including towers, pumps, tank, and piping.
5. Condensers, including condensate pumps, air and vacuum pumps, ejectors, unloading valves and vacuum breakers, expansion devices, screens, etc.
6. Cranes, hoists, etc., including items wholly identified with items listed herein.
7. Engines, reciprocating or rotary.
8. Fire extinguishing systems.
9. Foundations and settings, specially constructed for and not expected to outlast the apparatus for which provided.
10. Generators--main, A.C. or D.C., including field rheostats and connections for self-excited units, and excitation systems when identified with the generating unit.
12. Lighting systems (not chargeable to structures).
13. Lubricating systems, including gauges, filters, tanks, pumps, piping, motors, etc.
14. Mechanical meters, including gauges, recording instruments, sampling and testing equipment.
15. Piping--main exhaust, including connections between generator and condenser and between condenser and hotwell.
16. Piping--main steam, including connections from main throttle valve to turbine inlet.
17. Platforms, railings, steps, gratings, etc., appurtenant to apparatus listed herein.
18. Pressure oil system, including accumulators, pumps, piping, motors, etc.
19. Throttle and inlet valve.
20. Tunnels, intake and discharge, for condenser system, when not a
part of a structure.

21. Water screens, motors, etc.

314. Turbogenerator Units

This account shall include the cost installed of main turbine driven units and accessory equipment used in generating electricity by steam.

ITEMS

1. Air cleaning and cooling apparatus, including blowers, drive equipment, air ducts not a part of building, louvers, pumps, hoods, etc.
2. Circulating pumps, including connections between condensers and intake and discharge tunnels.
3. Condensers, including condensate pumps, air and vacuum pumps, ejectors, unloading valves and vacuum breakers, expansion devices, screens, etc.
4. Cooling system, including towers, pumps, tanks, and piping.
5. Cranes, hoists, etc., including items wholly identified with items listed herein.
6. Excitation system, when identified with main generating units.
7. Fire extinguishing systems.
8. Foundations and settings, specially constructed for and not expected to outlast the apparatus for which provided.
9. Generator hydrogen, gas piping and detrainment equipment.
10. Governors.
11. Lighting systems (not chargeable to structures).
12. Lubricating systems, including gauges, filters, water separators, tanks, pumps, piping, motors, etc.
13. Mechanical meters, including gauges, recording instruments, sampling and testing equipment.
15. Piping--main exhaust, including connections between turbogenerator and condenser and between condenser and hotwell.
16. Piping--main steam, including connections from main throttle valve to turbine inlet.
17. Platforms, railings, steps, gratings, etc., appurtenant to apparatus listed herein.
18. Pressure oil systems, including accumulators, pumps, piping, motors, etc.
19. Steelwork, specially constructed for apparatus listed herein.
20. Throttle and inlet valve.
21. Tunnels, intake and discharge, for condenser system, when not a part of structure, water screens, etc.
22. Turbine lubricating oil (initial charge).
23. Turbogenerators--main, including turbine and generator, field rheostats and electric connections for self-excited units.
24. Water screens, motors, etc.

315. Accessory Electric Equipment

This account shall include the cost installed of auxiliary generating apparatus, conversion equipment, and equipment used primarily in connection with the control and switching of electric energy produced by steam power, and the protection of electric circuits and equipment, except electric motors used to drive equipment included in other accounts. Such motors shall be included in the account in which the equipment with which they are associated is included.

ITEMS

1. Auxiliary generators, including boards, compartments, switching
equipment, control equipment, and connections to auxiliary power bus.

2. Excitation system, including motor, turbine and dual drive, exciter sets and rheostats, storage batteries and charging equipment, circuit breakers, panels and accessories, knife switches and accessories, surge arresters, instrument shunts, conductors and conduit, special supports for conduit, generator field and exciter switch panels, exciter bus tie panels, generator and exciter rheostats, etc., special housing, protective screens, etc.

3. Generator main connections, including circuit breakers and accessories, disconnecting switches and accessories, operating mechanisms and interlocks, current transformers, potential transformers, protective relays, isolated panels and equipment, conductors and conduit, special supports for generator main leads, grounding switch, etc., special housings, protective screens, etc.

4. Station buses including main, auxiliary, transfer, synchronizing and fault ground buses, including circuit breakers and accessories, disconnecting switches and accessories, operating mechanisms and interlocks, reactors and accessories, voltage regulators and accessories, compensators, resistors, starting transformers, current transformers, potential transformers, protective relays, storage batteries and charging equipment, isolated panels and equipment, conductors and conduit, special supports, special housings, concrete pads, general station grounding system, special fire extinguishing system, and test equipment.

5. Station control system, including station switchboards with panel wiring, panels with instruments and control equipment only, panels with switching equipment mounted or mechanically connected, truck type boards complete, cubicles, station supervisory control boards, generator and exciter signal stands, temperature recording devices, frequency control equipment, master clocks, watt-hour meters and synchronoscope in the turbine room, station totalizing wattmeter, boiler room load indicator equipment, storage batteries, panels and charging sets, instrument transformers for supervisory metering, conductors and conduit, special supports for conduit, switchboards, batteries, special housing for batteries, protective screens, doors, etc.

Note A: Do not include in this account transformers and other equipment used for changing the voltage or frequency of electric energy for the purposes of transmission or distribution.

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

Note C: Step-up transforming equipment for the purpose of changing generated voltage to transmission voltage shall not be included in this account.

Note D: Equipment comprising a distribution station shall not be included in this account even though located in or at a generating station.

Note E: When a substantial item of equipment such as a transformer, a circuit breaker, or a rotary converter, which is readily identifiable by serial number or other distinguishing mark is removed from a plant, and there is reasonable probability of its reuse, only the cost of installation and associated minor items shall be retired, but no retirement shall be made of the cost of the item itself. The cost of such equipment shall be carried in a separate subaccount.
316. Miscellaneous Power Plant Equipment
This account shall include the cost installed of miscellaneous equipment in and about the stream generating plant devoted to general station use, and which is not properly includible in any of the foregoing stream power production accounts.

ITEMS

1. Compressed air and vacuum cleaning systems, including tanks, compressors, exhausters, air filters, piping, etc.
2. Cranes and hoisting equipment, including cranes, cars, crane rails, monorails, hoists, etc., with electric and mechanical connections.
3. Fire extinguishing equipment for general station use.
4. Foundations and settings specially constructed for and not expected to outlast the apparatus for which provided.
5. Locomotive cranes not includible elsewhere.
7. Marine equipment, including boats, barges, etc.
8. Miscellaneous belts, pulleys, countershafts, etc.
9. Miscellaneous equipment, including atmospheric and weather indicating devices, intrasite communication equipment, laboratory equipment, signal systems, callophones, emergency whistles and sirens, fire alarms, insect control equipment, and other similar equipment.
10. Railway cars not includible elsewhere.
11. Refrigerating systems, including compressors, pumps, cooling coils, etc.
12. Station maintenance equipment, including lathes, shapers, planers, drill presses, hydraulic presses, grinders, etc., with motors, shafting, hangers, pulleys, etc.
13. Ventilating equipment, including items wholly identified with apparatus listed herein.
   Note A: When any item of equipment listed herein is used wholly in connection with equipment included in another account, its cost shall be included in such other account.
   Note B: Office equipment, desks, chairs, etc., shall not be included herein but in account 391, Office Furniture and Equipment.

B. Nuclear Production

320. Land and Land Rights
This account shall include the cost of land and land rights used in connection with nuclear power generation. (See electric plant instruction 168.7.)

321. Structures and Improvements
This account shall include the cost in place of structures and improvements used in connection with nuclear power generation. (See electric plant instruction 168.8.)
   Note: Include vapor containers and nuclear production roads and railroads in this account.

322. Reactor Plant Equipment
This account shall include the cost installed of reactors, reactor fuel handling and storage equipment, pressurizing equipment, coolant charging equipment, purification and discharging equipment, radioactive waste treatment and disposal equipment, boilers, steam and feed water piping, reactor and boiler apparatus and accessories and other reactor plant equipment used in the production of steam to be used primarily for generating electricity, including auxiliary superheat boilers and associated equipment in systems which change temperatures or pressure of
steam from the reactor system.

ITEMS

1. Auxiliary superheat boilers and associated fuel storage, handling preparation and burning equipment, etc. (See account 312, Boiler Plant Equipment, for items, but exclude water supply, water flow lines, and steam lines, as well as other equipment not strictly within the superheat function.)

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


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

5. Instruments and devices, including all measuring, indicating and recording equipment for reactor and boiler plant service together with mountings and supports.

6. Lighting systems associated with specific items of equipment.

7. Moderators, such as heavy water, graphite, etc., (initial charge).

8. Radioactive waste treatment and disposal equipment, including tanks, ion exchangers, incinerators, condensers, chimneys, and diluting fans and pumps.

9. Reactor coolant or moderator circulation charging, purification, and discharging equipment, including tanks, pumps, heat exchangers, demineralizers, and storage.

10. Reactor coolant; primary and secondary systems (initial charge).

11. Reactor emergency poison container and injection system.

12. Reactor fuel element failure detection system.

13. Reactor fuel handling equipment, including manipulating and extraction tools, underwater viewing equipment, seal cutting and welding equipment, fuel transfer equipment and fuel disassembly machinery.

14. Reactor including shielding control rods and mechanisms.

15. Reactor plant cranes and hoists and associated drives.

16. Reactor pressurizing and pressure relief equipment, including pressurizing tanks and immersion heaters.

17. Station piping, including pipes, valves, fittings, separators, traps, desuperheaters, hangers, excavation, covering, etc., for station piping system, including all-reactor coolant, steam, condensate, boiler feed and water supply piping, etc., but not condensing water, plumbing, building heating, oil, gas, or air piping.

18. Ventilating equipment.

19. Water purification equipment, including softeners, demineralizers, and accessories, evaporators and accessories, heat exchangers, filters, tanks for filtered or softened water, pump, motors, etc.

20. Water supply systems, including pumps, motors, strainers, raw-water storage tanks, boilers* wash pumps, intake and discharge pipes and tunnels not a part of a building.

*So in original. Comma inadvertently omitted.

Note: When the system for supplying boiler or condenser water is elaborate, as when it includes a dam, reservoir, canal, pipe lines, or cooling ponds, the cost of such special facilities shall be charged to a subdivision of account 321, Structures and Improvements.

323. Turbogenerator Units

This account shall include the cost installed of main turbine driven
units and accessory equipment used in generating electricity by steam.

ITEMS

1. Air cleaning and cooling apparatus, including blowers, drive equipment, air ducts not a part of building, louvers, pumps, hoods, etc.
2. Circulating pumps, including connections between condensers, and intake and discharge tunnels.
3. Condensers, including condensate pumps, air and vacuum pumps, ejectors, unloading valves and vacuum breakers, expansion devices, screens, etc.
4. Cooling system, including towers, pumps, tanks and piping.
5. Cranes, hoists, etc., including items wholly identified with items listed herein.
6. Excitation system when identified with main generating units.
7. Fire extinguishing systems.
8. Foundations and settings, especially constructed for and not expected to outlast the apparatus for which provided.
9. Generator hydrogen gas piping system and hydrogen detrainment equipment and bulk hydrogen gas storage equipment.
10. Governors.
11. Lighting systems associated with specific items of equipment.
12. Lubricating systems, including gauges, filters, water separators, tanks, pumps, piping, motors, etc.
13. Mechanical meters, including gauges, recording instruments, sampling and testing equipment.
15. Piping--main exhaust, including connections between turbogenerator and condenser and between condenser and hotwell.
16. Piping--main steam, including connections from main throttle valve to turbine inlet.
17. Platforms, railings, steps, gratings, etc., appurtenant to apparatus listed herein.
18. Pressure oil systems, including accumulators, pumps, piping, motors, etc.
19. Steelwork, specially constructed for apparatus listed herein.
20. Throttle and inlet valve.
21. Tunnels, intake and discharge, for condenser system when not a part of structure, water screens, etc.
22. Turbine lubricating oil (initial charge).
23. Turbogenerators--main, including turbine and generator, field rheostats and electric connections for self-excited units.
24. Water screens, motors, etc.

324. Accessory Electric Equipment

This account shall include the cost installed of auxiliary generating apparatus, conversion equipment, and equipment used primarily in connection with the control and switching of electric energy produced by nuclear power, and the protection of electric circuits and equipment, except electric motors used to drive equipment included in other accounts. Such motors shall be included in the account in which the equipment with which they are associated is included.

ITEMS

1. Auxiliary generators, including boards, compartments, switching equipment, control equipment, and connections to auxiliary power bus.
2. Excitation system, including motor, turbine and dual-drive exciter sets and rheostats, storage batteries and charging equipment, circuit
breakers, panels and accessories, knife switches and accessories, surge arresters, instrument shunts, conductors and conduit, special supports for conduit, generator field and exciter switch panels, exciter bus tie panels, generator and exciter rheostats, etc., special housing, protective screens, etc.

3. Generator main connections, including circuit breakers and accessories, disconnecting switches and accessories, operating mechanisms and interlocks, current transformers, potential transformers, protective relays, isolated panels and equipment, conductors and conduit, special supports for generator main leads, grounding switch, etc., special housings, protective screens, etc.

4. Station buses, including main, auxiliary, transfer, synchronizing and fault ground buses, including circuit breakers and accessories, disconnecting switches and accessories, operating mechanisms and interlocks, reactors and accessories, voltage regulators and accessories, compensators, resistors, starting transformers, current transformers, potential transformers, protective relays, storage batteries and charging equipment, isolated panels and equipment, conductors and conduit, special supports, special housings, concrete pads, general station grounding system, fire extinguishing system, and test equipment.

5. Station control system, including station switchboards with panel wiring, panels with instruments and control equipment only, panels with switching equipment mounted or mechanically connected, truck-type boards complete, cubicles, station supervisory control boards, generator and exciter signal stands, temperature recording devices, frequency control equipment, master clocks, watt-hour meters and synchronoscope in the turbine room, station totalizing wattmeter, boiler-room load indicator equipment, storage batteries, panels and charging sets, instrument transformers for supervisory metering, conductors and conduit, special supports for conduit, switchboards, batteries, special housing for batteries, protective screens, doors, etc.

Note A: Do not include in this account transformers and other equipment used for changing the voltage or frequency of electric energy for the purposes of transmission or distribution.

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

Note C: Step-up transforming equipment for the purpose of changing generated voltage to transmission voltage shall not be included in this account.

Note D: Equipment comprising a distribution station shall not be included in this account even though located in or at a generating station.

Note E: When a substantial item of equipment such as a transformer, a circuit breaker, or a rotary converter, which is readily identifiable by serial number or other distinguishing mark is removed from a plant, and there is reasonable probability of its reuse, only the cost of installation and associated minor items shall be retired, but no retirement shall be made of the cost of the item itself. The cost of such equipment shall be carried in a separate subaccount.

325. Miscellaneous Power Plant Equipment

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

ITEMS
1. Compressed air and vacuum cleaning systems, including tanks, compressors, exhausters, air filters, piping, etc.
2. Cranes and hoisting equipment, including cranes, cars, crane rails, monorails, hoists, etc., with electric and mechanical connections.
3. Fire extinguishing equipment for general station use.
4. Foundations and settings specially constructed for and not expected to outlast the apparatus for which provided.
5. Locomotive cranes not includible elsewhere.
6. Locomotives not included elsewhere.
7. Marine equipment, including boats, barges, etc.
8. Miscellaneous belts, pulleys, countershafts, etc.
9. Miscellaneous equipment, including atmospheric and weather indicating devices, intrasite communication equipment, laboratory equipment, signal systems, callophones, emergency whistles and sirens, fire alarms, insect-control equipment, and other similar equipment.
10. Railways* cars or special shipping containers not includible elsewhere.
* So in original. "Railways" should be "Railway".
11. Refrigerating systems, including compressors, pumps, cooling coils, etc.
12. Station and area radiation monitoring equipment.
13. Station maintenance equipment, including lathes, shapers, planers, drill presses, hydraulic presses, grinders, etc., with motors, shafting, hangers, pulleys, etc.
14. Ventilating equipment, including items wholly identified with apparatus listed herein.

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

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

C. Hydraulic Production
330. Land and Land Rights
This account shall include the cost of land and land rights used in connection with hydraulic power generation. (See electric plant instruction 168.7.)
331. Structures and Improvements
This account shall include the cost in place of structures and improvements used in connection with hydraulic power generation. (See electric plant instruction 168.8.)
332. Reservoirs, Dams and Waterways
This account shall include the cost in place of facilities used for impounding, collecting, storage, diversion, regulation, and delivery of water used primarily for generating electricity.

ITEMS
1. Bridges and culverts (when not a part of roads or railroads).
2. Clearing and preparing land.
3. Dams, including wasteways, spillways, flash boards, spillway gates with operating and control mechanisms, tunnels, gate houses, and fish ladders.
4. Dikes and embankments.
5. Electric system, including conductors, control system, transformers, lighting fixtures, etc.
6. Excavation, including shoring, bracing, bridging, refill, and disposal of excess excavated material.
7. Foundations and settings specially constructed for and not expected to outlast the apparatus for which provided.
8. Intakes, including trash racks, rack cleaners, control gates and valves with operating mechanisms, and intake house when not a part of station structure.
9. Platforms, railings, steps, gratings, etc., appurtenant to structures listed herein.
10. Power lines wholly identified with items included herein.
11. Retaining walls.
12. Water conductors and accessories, including canals, tunnels, flumes, penstocks, pipe conductors, forebays, tailraces, navigation locks and operating mechanisms, water-hammer and surge tanks, and supporting trestles and structures.
13. Water storage reservoirs, including dams, flashboards, spillway gates and operating mechanisms, inlet and outlet tunnels, regulating valves and valve towers, silt and mud sluicing tunnels with valve or gate towers, and all other structures wholly identified with any of the foregoing items.

333. Water Wheels, Turbines and Generators
This account shall include the cost installed of water wheels and hydraulic turbines (from connection with penstock or flume to tailrace) and generators driven thereby devoted to the production of electricity by water power or for the production of power for industrial or other purposes, if the equipment used for such purposes is a part of the hydraulic power plant works.

ITEMS
1. Exciter water wheels and turbines, including runners, gates, governors, pressure regulators, oil pumps, operating mechanisms, scroll cases, draft tubes, and draft-tube supports.
2. Fire extinguishing equipment.
3. Foundations and settings, specially constructed for and not expected to outlast the apparatus for which provided.
4. Generator cooling system, including air cooling and washing apparatus, air fans and accessories, air ducts, etc.
5. Generators--main, A.C. or D.C., including field rheostats and connections for self-excited units and excitation system when identified with generating unit.
6. Lighting systems (not chargeable to structures).
7. Lubricating systems, including gauges, filters, tanks, pumps, piping, etc.
8. Main penstock valves and appurtenances, including main valves, control equipment, bypass valves and fittings, and other accessories.
9. Main turbines and water wheels, including runners, gates, governors, pressure regulators, oil pumps, operating mechanisms, scroll cases, draft tubes, and draft-tube supports.
10. Mechanical meters and recording instruments.
11. Miscellaneous water wheel equipment, including gauges, thermometers, meters, and other instruments.
12. Platforms, railings, steps, gratings, etc., appurtenant to apparatus listed herein.
13. Scroll case filling and drain system, including gates, pipe, valves, fittings, etc.
14. Water actuated pressure regulator system, including tanks and housings, pipes, valves, fittings and insulations, piers and anchorage, and excavation and backfill.
334. Accessory Electric Equipment

This account shall include the cost installed of auxiliary generating apparatus, conversion equipment, and equipment used primarily in connection with the control and switching of electric energy produced by hydraulic power and the protection of electric circuits and equipment, except electric motors used to drive equipment included in other accounts. Such motors shall be included in the account in which the equipment with which they are associated is included.

ITEMS

1. Auxiliary generators, including boards, compartments, switching equipment, control equipment, and connections to auxiliary power bus.
2. Excitation system, including motor, turbine, and dual drive exciter sets and rheostats, storage batteries and charging equipment, circuit breakers, panels and accessories, knife switches and accessories, surge arresters, instrument shunts, conductors and conduit, special supports for conduit, generator field and exciter switch panels, exciter bus tie panels, generator and exciter rheostats etc., special housings, protective screens, etc.
3. Generator main connections, including circuit breakers and accessories, disconnecting switches and accessories, operating mechanisms and interlocks, current transformers, potential transformers, protective relays, isolated panels and equipment, conductors and conduit, special supports for generator main leads, grounding switch, etc., special housings, protective screens, etc.
4. Station buses, including main, auxiliary, transfer, synchronizing, and fault ground buses, including circuit breakers and accessories, disconnecting switches and accessories, operating mechanisms and interlocks, reactors and accessories, voltage regulators and accessories, compensators, resistors, starting transformers, current transformers, potential transformers, protective relays, storage batteries, and charging equipment*, isolated panels and equipment, conductors and conduit, special supports, special fire extinguishing system, and test equipment.
* So in original. "equipent" should be "equipment".
5. Station control system, including station switchboards with panel wiring, panels with instruments and control equipment only, panels with switching equipment mounted or mechanically connected, truck-type boards complete, cubicles, station supervisory control devices, frequency control equipment, master clocks, watt-hour meter, station totalizing wattmeter, storage batteries, panels and charging sets, instrument transformers for supervisory metering, conductors and conduit, special supports for conduit, switchboards, batteries, special housings for batteries, protective screens, doors, etc.

Note A: Do not include in this account transformers and other equipment used for changing the voltage or frequency of electric energy for the purposes of transmission or distribution.

Note B: When any item of equipment listed herein is used wholly to furnish power to equipment included in another account, its cost shall be included in such other account.
Note C: Step-up transforming equipment for the purpose of changing generated voltage to transmission voltage shall not be included in this account.

Note D: Equipment comprising a distribution station shall not be included in this account even though located in or at a generating station.

Note E: When a substantial item of equipment such as a transformer, a circuit breaker, or a rotary converter, which is readily identifiable by serial number or other distinguishing mark is removed from a plant, and there is reasonable probability of its reuse, only the cost of installation and associated minor items shall be retired, but no retirement shall be made of the cost of the item itself. The cost of which equipment shall be carried in a separate subaccount.

335. Miscellaneous Power Plant Equipment

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

**ITEMS**

1. Compressed air and vacuum cleaning systems, including tanks, compressors, exhausters, air filters, piping, etc.
2. Cranes and hoisting equipment, including cranes, cars, crane rails, monorails, hoists, etc., with electric and mechanical connections.
3. Fire extinguishing equipment for general station use.
4. Foundations and settings, specially constructed for and not expected to outlast the apparatus for which provided.
5. Locomotive cranes not includible elsewhere.
7. Marine equipment, including boats, barges, etc.
8. Miscellaneous belts, pulleys, countershafts, etc.
9. Miscellaneous equipment, including atmospheric and weather indicating devices, intrasite communication equipment, laboratory equipment, insect control equipment, signal systems, callophones, emergency whistles and sirens, fire alarms, and other similar equipment.
10. Railway cars not includible elsewhere.
11. Refrigerating system, including compressors, pumps, cooling coils, etc.
12. Station maintenance equipment, including lathes, shapers, planers, drill presses, hydraulic presses, grinders, etc., with motors, shafting, hangers, pulleys, etc.
13. Ventilating equipment, including items wholly identified with apparatus listed herein.

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

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

336. Roads, Railroads and Bridges

This account shall include the cost of roads, railroads, trails, bridges, and trestles used primarily as production facilities. It includes also those roads, etc., necessary to connect the plant with highway transportation systems, except when such roads are dedicated to public use and maintained by public authorities.

**ITEMS**
1. Bridges, including foundations, piers, girders, trusses, flooring, etc.
2. Clearing land.
3. Railroads, including grading, ballast, ties, rails, culverts, hoists, etc.
4. Roads, including grading, surfacing, culverts, etc.
5. Structures, constructed and maintained in connection with items listed herein.
6. Trails, including grading, surfacing, culverts, etc.
7. Trestles, including foundations, piers, girders, trusses, flooring, etc.

Note A: Roads intended primarily for connecting employees' houses with the power plant shall not be included herein but in account 331, Structures and Improvements.

Note B: The cost of temporary roads, bridges, etc., necessary during the period of construction but abandoned or dedicated to public use upon completion of the plant, shall not be included herein but shall be charged to the accounts appropriate for the construction.

D. Other Production

340. Land and Land Rights
This account shall include the cost of land and land rights used in connection with other power generation. (See electric plant instruction 168.7.)

341. Structures and Improvements
This account shall include the cost in place of structures and improvements used in connection with other power generation. (See electric plant instruction 168.8.)

342. Fuel Holders, Producers and Accessories
This account shall include the cost installed of fuel handling and storage equipment used between the point of fuel delivery to the station and the intake pipe through which fuel is directly drawn to the engine, also the cost of gas producers and accessories devoted to the production of gas for use in prime movers driving main electric generators.

ITEMS

1. Blower and fans.
2. Boilers and pumps.
3. Economizers.
4. Exhauster outfits.
5. Flues and piping.
6. Pipe system.
7. Producers.
8. Regenerators.
10. Steam injectors.
11. Tanks for storage of oil, gasoline, etc.
12. Vaporizers.

343. Prime Movers
This account shall include the cost installed of diesel or other prime movers devoted to the generation of electric energy, together with their auxiliaries.

ITEMS

1. Air-filtering system.
2. Belting, shafting, pulleys, reduction gearing, etc.
3. Cooling system, including towers, pumps, tanks, and piping.
4. Cranes, hoists, etc., including items wholly identified with apparatus listed herein.
5. Engines, diesel, gasoline, gas, or other internal combustion.
6. Foundations and settings specially constructed for and not expected to outlast the apparatus for which provided.
7. Governors.
8. Ignition system.
9. Inlet valve.
10. Lighting systems (not chargeable to structures).
11. Lubricating systems, including filters, tanks, pumps, and piping.
12. Mechanical meters, including gauges, recording instruments, sampling and testing equipment.
15. Starting systems, compressed air, or other, including compressors and drives, tanks, piping, motors, boards and connections, storage tanks, etc.
16. Steelwork, specially constructed for apparatus listed herein.
17. Waste heat boilers, antifluctuators, etc.
344. Generators
This account shall include the cost installed of diesel or other power driven main generators.

ITEMS
1. Cranes, hoists, etc., including items wholly identified with such apparatus.
2. Fire extinguishing equipment.
3. Foundations and settings, specially constructed for and not expected to outlast the apparatus for which provided.
4. Generator cooling system, including air cooling and washing apparatus, air fans and accessories, air ducts, etc.
5. Generators--main, A.C. or D.C., including field rheostats and connections for self-excited units and excitation system when identified with the generating unit.
6. Lighting systems (not chargeable to structures).
7. Lubricating system, including tanks, filters, strainers, pumps, piping, coolers, etc.
8. Mechanical meters, and recording instruments.
9. Platforms, railings, steps, gratings, etc., appurtenant to apparatus listed herein.

Note: If prime movers and generators are so integrated that it is not practical to classify them separately, the entire unit may be included in account 344, Generators.

345. Accessory Electric Equipment
This account shall include the cost installed of auxiliary generating apparatus, conversion equipment, and equipment used primarily in connection with the control and switching of electric energy produced in other power generating stations, and the protection of electric circuits and equipment, except electric motors used to drive equipment included in other accounts. Such motors shall be included in the account in which the equipment with which they are associated is included.

ITEMS
1. Auxiliary generators, including boards, compartments, switching equipment, control equipment, and connections to auxiliary power bus.
2. Excitation system, including motor, turbine and dual-drive exciter
sets and rheostats, storage batteries and charging equipment, circuit breakers, panels and accessories, knife switches and accessories, surge arrestors, instrument shunts, conductors and conduit, special supports for conduits, generator field and exciter switch panels, exciter bus tie panels, generator and exciter rheostats, etc., special housings, protective screens, etc.

3. Generator main connections, including circuit breakers and accessories, disconnecting switches and accessories operating mechanisms and interlocks, current transformers, potential transformers, protective relays, isolated panels and equipment, conductors and conduit, special supports for generator main leads, grounding switch, etc., special housing, protective screens, etc.

4. Station control system, including station switchboards with panel wiring, panels with instruments and control equipment only, panels with switching equipment mounted or mechanically connected, trunk-type boards complete, cubicles, station supervisory control boards, generator and exciter signal stands, temperature-recording devices, frequency control equipment, master clocks, watt-hour meter, station totalizing wattmeter, storage batteries, panels and charging sets, instrument transformers for supervisory metering, conductors and conduit, special supports for conduit, switchboards, batteries, special housing for batteries, protective screens, doors, etc.

5. Station buses, including main, auxiliary, transfer, synchronizing and fault ground buses, including circuit breakers and accessories, disconnecting switches and accessories, operating mechanisms and interlocks, reactors and accessories, voltage regulators and accessories, compensators, resistors, starting transformers, current transformers, potential transformers, protective relays, storage batteries and charging equipment, isolated panels and equipment, conductors and conduit, special supports, special housings, concrete pads, general station ground system, special fire extinguishing system, and test equipment.

Note A: Do not include in this account transformers and other equipment used for changing the voltage or frequency of electric energy for the purposes of transmission or distribution.

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

Note C: Step-up transforming equipment for the purpose of changing generated voltage to transmission voltage shall not be included in this account.

Note D: Equipment comprising a distribution station shall not be included in this account even though located in or at a generating station.

Note E: When a substantial item of equipment such as a transformer, a circuit breaker, or a rotary converter, which is readily identifiable by serial number or other distinguishing mark is removed from a plant, and there is reasonable probability of its reuse, only the cost of installation and associated minor items shall be retired, but no retirement shall be made of the cost of the item itself. The cost of such equipment shall be carried in a separate subaccount.

346. Miscellaneous Power Plant Equipment

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

ITEMS

1. Compressed air and vacuum cleaning systems, including tanks, compressors, exhausters, air filters, piping, etc.
2. Cranes and hoisting equipment, including cranes, cars, crane rails, monorails, hoists, etc., with electric and mechanical connections.
3. Fire extinguishing equipment for general station use.
4. Foundations and settings, specially constructed for and not expected to outlast the apparatus for which provided.
5. Miscellaneous equipment, including atmospheric and weather indicating devices, intrasite communication equipment, laboratory equipment, signal systems, callophones, emergency whistles and sirens, fire alarms, and other similar equipment.
6. Miscellaneous belts, pulleys, countershafts, etc.
7. Refrigerating system including compressors, pumps, cooling coils, etc.
8. Station maintenance equipment, including lathes, shapers, planers, drill presses, hydraulic presses, grinders, etc., with motors, shafting, hangers, pulleys, etc.
9. Ventilating equipment, including items wholly identified with apparatus listed herein.

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

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

3. TRANSMISSION PLANT

350. Land and Land Rights
This account shall include the cost of land and land rights used in connection with transmission operations. (See electric plant instructions 168.7 and 168.14.)

352. Structures and Improvements
This account shall include the cost in place of structures and improvements used in connection with transmission operations. (See electric plant instructions 168.8 and 168.14.)

353. Station Equipment
This account shall include the cost installed of transforming, conversion, and switching equipment used for the purpose of changing the characteristics of electricity in connection with its transmission or for controlling transmission circuits. (See electric plant instruction 168.14.)

ITEMS

1. Bus compartments, concrete, brick, and sectional steel, including items permanently attached thereto.
2. Conduit, including concrete and iron duct runs not a part of a building.
3. Control equipment, including batteries, battery charging equipment, transformers, remote relay boards, and connections.
4. Conversion equipment, including transformers, indoor and outdoor, frequently changers, motor generator sets, rectifiers, synchronous converters, motors, cooling equipment, and associated connections.
5. Fences.
6. Fixed and synchronous condensers, including transformers, switching
equipment, blowers, motors and connections.

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

8. General station equipment, including air compressors, motors, hoists, cranes, test equipment, ventilating equipment, etc.

9. Platforms, railings, steps, gratings, etc., appurtenant to apparatus listed herein.

10. Primary and secondary voltage connections, including bus runs and supports, insulators, potheads, lightning arresters, cable and wire runs from and to outdoor connections or to manholes and the associated regulators, reactors, resistors, surge arresters, and accessory equipment.

11. Switchboards, including meters, relays, control wiring, etc.

12. Switching equipment, indoor and outdoor, including circuit breakers and operating mechanisms, truck switches, and disconnect switches.


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

Note B: When a substantial item of equipment such as a transformer, a circuit breaker, or a rotary converter, which is readily identifiable by serial number or other distinguishing mark is removed from a station, and there is reasonable probability of its reuse, only the cost of installation and associated minor items shall be retired, but no retirement shall be made of the cost of the item itself. The cost of such equipment shall be carried in a separate subaccount.

Note C: When a transformer of 100 k.v.a. or less is rewound or otherwise substantially rebuilt, it shall be retired. The rebuilt unit shall be charged to electric plant at not more than the cost of a similar new unit as of the year of rebuilding and shall be recorded as of that year. The salvage credited to the accumulated provision for depreciation for the reused portions of the retired unit shall not exceed the difference between the cost of a new unit and the cost of rebuilding. Any excess expenditure over the amount includible in the electric plant account shall be charged to the maintenance account appropriate for the equipment. When a transformer of more than 100 k.v.a. is rebuilt, a retirement shall be made equal to the expenditure for rebuilding (but if the rebuilding cost exceeds the book cost, not more than the book cost shall be retired) and the full rebuilding cost shall be charged to electric plant as of the year when incurred. If the rebuilding increases the capacity of the unit, the amount to be retired as the computed cost of rebuilding shall be reduced by the excess of the costs actually incurred over the estimated cost of rebuilding without increasing the capacity.

354. Towers and Fixtures

This account shall include the cost installed of towers and appurtenant fixtures used for supporting overhead transmission conductors. (See electric plant instruction 168.14.)

ITEMS

1. Anchors, guys, braces.
2. Brackets.
3. Crossarms, including braces.
4. Excavation, backfill, and disposal of excess excavated material.
5. Foundations.
7. Insulator pins and suspension bolts.
8. Ladders and steps.
9. Railings, etc.
10. Towers.

355. Poles and Fixtures
This account shall include the cost installed of transmission line poles, wood, steel, concrete, or other material, together with appurtenant fixtures used for supporting overhead transmission conductors. (See electric plant instruction 168.14.)

ITEMS
1. Anchors, head arm and other guys, including guy guards, guy clamps, strain insulators, pole plates, etc.
2. Brackets.
3. Crossarms and braces.
4. Excavation and backfill, including disposal of excess excavated material.
5. Extension arms.
6. Gaining, roofing, stenciling, and tagging.
7. Insulator pins and suspension bolts.
8. Paving.
9. Pole steps.
10. Poles, wood, steel, concrete, or other material.
11. Racks complete with insulators.
12. Reinforcing and stubbing.

Note: Accounting for the sale of part interest in a pole shall be by crediting the amount received against the gross additions when the sale is made within the calendar year in which the pole was installed; thereafter by treating the fractional interest in the pole sold as a retirement and the amount received as salvage. Records shall be maintained so as to identify retirements of this nature (showing dates installed and sold) separately from physical retirements of fractionally owned poles.

356. Overhead Conductors and Devices
This account shall include the cost installed of overhead conductors and devices used for transmission purposes. (See electric plant instruction 168.14.)

ITEMS
1. Circuit breakers.
2. Conductors, including insulated and bare wires and cables.
3. Ground wires and ground clamps.
4. Insulators, including pin, suspension, and other types.
5. Lightning arresters.
7. Other line devices.

Note: Large switching or control stations containing equipment of the character listed under account 353, Station Equipment, shall be included in that account even though such equipment is used solely for switching or control and does not change the characteristics of electric energy.

357. Underground Conduit
This account shall include the cost installed of underground conduit and tunnels used for housing transmission cables or wires. (See electric
plant instructions 168.10, subd. (i) and 168.14.)

ITEMS

1. Conduit, concrete, brick or tile, including iron pipe, fiber pipe, Murray duct, and standpipe on pole or tower.
2. Excavation, including shoring, bracing, bridging, backfill, and disposal of excess excavated material.
3. Foundations and settings specially constructed for and not expected to outlast the apparatus for which provided.
4. Lighting systems.
5. Manholes, concrete or brick, including iron or steel, frames and covers, hatchways, gratings, ladders, cable racks and hangers, etc., permanently attached to manholes.
6. Municipal inspection.
7. Pavement disturbed, including cutting and replacing pavement, pavement base and sidewalks.
8. Permits.
10. Removal and relocation of subsurface obstructions.
11. Sewer connection, including drains, traps, tide valves, check valves, etc.
12. Sumps, including pumps.
13. Ventilating equipment.

358. Underground Conductors and Devices

This account shall include the cost installed of underground conductors and devices used for transmission purposes. (See electric plant instructions 168.10, subd. (i) and 168.14.)

ITEMS

1. Armored conductors, buried, including insulators, insulating materials, splices, potheads, trenching, etc.
2. Armored conductors, submarine, including insulators, insulating materials, splices in terminal chambers, potheads, etc.
3. Cables in standpipe, including pothead and connection from terminal chamber of manhole to insulators on pole.
5. Fireproofing, in connection with any items listed herein.
6. Hollow core oil filled cable, including straight or stop joints, pressure tanks, auxiliary air tanks, feeding tanks, terminals, potheads and connections, ventilating equipment, etc.
7. Lead and fabric covered conductors, including insulators, compound filled, oil filled, or vacuum splices, potheads, etc.
8. Lightning arresters.
9. Municipal inspection.
11. Protection of street openings.
12. Racking of cables.
14. Other line devices.

Note: Large switching or control stations containing equipment of the character listed under account 353, Station Equipment, shall be included in that account even though such equipment is used solely for switching or control and does not change the characteristics of electric energy.

359. Roads and Trails

This account shall include the cost of roads, trails, and bridges used primarily as transmission facilities. (See electric plant instruction
168.14.)

ITEMS

1. Bridges, including foundation piers, girders, trusses, flooring, etc.
2. Clearing land.
3. Roads, including grading, surfacing, culverts, etc.
4. Structures, constructed and maintained in connection with items included herein.
5. Trails, including grading, surfacing, culverts, etc.

Note: The cost of temporary roads, bridges, etc., necessary during the period of construction but abandoned or dedicated to public use upon completion of the plant, shall be charged to the accounts appropriate for the construction.

4. DISTRIBUTION PLANT

360. Land and Land Rights

This account shall include the cost of land and land rights used in connection with distribution operations. (See electric plant instruction 168.7.)

Note: Do not include in this account the cost of permits to erect poles, towers, etc., or to trim trees. (See account 364, Poles, Towers and Fixtures, and account 365, Overhead Conductors and Devices.)

361. Structures and Improvements

This account shall include the cost in place of structures and improvements used in connection with distribution operations. (See electric plant instruction 168.8.)

362. Station Equipment

This account shall include the cost installed of station equipment, including transformer banks, etc., which are used for the purpose of changing the characteristics of electricity in connection with its distribution. (See electric plant instruction 168.14.)

ITEMS

1. Bus compartments, concrete, brick and sectional steel, including items permanently attached thereto.
2. Conduit, including concrete and iron duct runs not part of building.
3. Control equipment, including batteries, battery charging equipment, transformers, remote relay boards, and connections.
4. Conversion equipment, indoor and outdoor, frequency changers, motor generator sets, rectifiers, synchronous converters, motors, cooling equipment, and associated connections.
5. Fences.
6. Fixed and synchronous condensers, including transformers, switching equipment, blowers, motors, and connections.
7. Foundations and settings, specially constructed for and not expected to outlast the apparatus for which provided.
8. General station equipment, including air compressors, motors, hoists, cranes, test equipment, ventilating equipment, etc.
9. Platforms, railings, steps, gratings, etc., appurtenant to apparatus listed herein.
10. Primary and secondary voltage connections, including bus runs and supports, insulators, potheads, lightning arresters, cable and wire runs from and to outdoor connections or to manholes and the associated regulators, reactors, resistors, surge arresters, and accessory equipment.
11. Switchboards, including meters, relays, control wiring, etc.
12. Switching equipment, indoor and outdoor, including circuit
breakers and operating mechanisms, truck switches, disconnect switches.

Note A: The cost of rectifiers, series transformers, and other special
station equipment devoted exclusively to street lighting service shall
not be included in this account, but in account 373, Street Lighting and
Signal Systems. Station meters may be included in account 370, Meters,
when of a type subject to general use.

Note B: When a substantial item of equipment such as a transformer, a
circuit breaker, or a rotary converter, which is readily identifiable by
serial number or other distinguishing mark is removed from a station,
and there is reasonable probability of its reuse, only the cost of
installation and associated minor items shall be retired, but no
retirement shall be made of the cost of the item itself. The cost of
such equipment shall be carried in a separate subaccount.

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

Note D: When a transformer of 100 k.v.a. or less is rewound or
otherwise substantially rebuilt, it shall be retired. The rebuilt unit
shall be charged to electric plant at not more than the cost of a
similar new unit as of the year of rebuilding and shall be recorded as
of that year. The salvage credited to the accumulated provision for
depreciation for the reused portions of the retired unit shall not
exceed the difference between the cost of a new unit and the cost of
rebuilding. Any excess expenditure over the amount includable in the
electric plant account shall be charged to the maintenance account
appropriate for the equipment. When a transformer of more than 100 k.v
a. is rebuilt, a retirement shall be made equal to the expenditure for
rebuilding (but if the rebuilding cost exceeds the book cost, not more
than the book cost shall be retired) and the full rebuilding cost shall
be charged to electric plant as of the year when incurred. If the
rebuilding increases the capacity of the unit, the amount to be retired
as the computed cost of rebuilding shall be reduced by the excess of the
costs actually incurred over the estimated cost of rebuilding without
increasing the capacity.

363. Storage Battery Equipment
This account shall include the cost installed of storage battery
equipment used for the purpose of supplying electricity to meet
emergency or peak demands.

ITEMS

1. Batteries, including elements, tanks, tank insulators, etc.
2. Battery room connections, including cable or bus runs and
connections.
3. Battery room flooring, when specially laid for supporting
batteries.
4. Charging equipment, including motor generator sets and other
charging equipment and connections, and cable runs from generator or
station bus to battery room connections.
5. Miscellaneous equipment, including instruments, water stills, etc.
6. Switching equipment, including end-cell switches and connections,
boards and panels, used exclusively for battery control, not part of
general station switchboard.
7. Ventilating equipment, including fans and motors, louvers, and
ducts not part of building.
Note A: Storage batteries used for control and general station purposes shall not be included in this account but in the account appropriate for their use.

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

364. Poles, Towers and Fixtures
This account shall include the cost installed of poles, towers, and appurtenant fixtures used for supporting overhead distribution conductors and service wires. (See electric plant instruction 168.14.)

ITEMS
1. Anchors, head arm, and other guys, including guy guards, guy clamps, strain insulators, pole plates, etc.
2. Brackets.
3. Crossarms and braces.
4. Excavation and backfill, including disposal of excess excavated material.
5. Extension arms.
7. Guards.
8. Insulator pins and suspension bolts.
9. Paving.
10. Permits for construction. (See note to electric plant instruction 168.7, subd. (d).)
11. Pole steps and ladders.
12. Poles, wood, steel, concrete, or other material.
13. Racks complete with insulators.
15. Reinforcing and stubbing.
17. Shaving, painting, gaining, roofing, stenciling, and tagging.
18. Towers.
19. Transformer racks and platforms.

Note: Accounting for the sale of part interest in a pole shall be by crediting the amount received against the gross additions when the sale is made within the calendar year in which the pole was installed; thereafter by treating the fractional interest in the pole sold as a retirement and the amount received as salvage. Records shall be maintained so as to identify retirements of this nature (showing dates installed and sold) separately from physical retirements of fractionally owned poles.

365. Overhead Conductors and Devices
A. This account shall include the cost installed of overhead conductors and devices used for distribution purposes. (See electric plant instruction 168.14.)

B. The records supporting this account shall be kept so that the utility can readily determine the number of feet of wire subdivided as follows:
   (1) Primary Alternating Current
   (2) Secondary Alternating Current
   (3) Direct Current

ITEMS
1. Circuit breakers.
2. Conductors, including insulated and bare wires and cables.
3. Ground wires, clamps, etc.
4. Insulators, including pin, suspension, and other types, and tie wire or clamps.
5. Lightning arresters.
6. Railroad and highway crossing guards.
7. Splices.
8. Switches.
9. Tree trimming, initial cost including the cost of permits therefor.
10. Other line devices.
11. Permits for construction. (See note to electric plant instruction 168.7, subd. (d.).)

Note A: The cost of conductors and devices used solely for street lighting or signal systems shall not be included in this account but in account 373, Street Lighting and Signal Systems.

Note B: "Primary" lines comprise cables, wires, and accessory line devices from the distribution center, generating station, or other point of origin of the distribution line to the line transformer or network transformer or to the service connections of high tension customers. "Secondary" lines comprise cables, wires, and accessory line devices from the line transformer or network transformer to the service connection leading to premises of customers.

Note C: The cost of protective devices, except network protectors, on distribution lines may be included wholly in either account 365, Overhead Conductors and Devices, 367, Underground Conductors and Devices, as appropriate, or wholly in account 368, Line Transformers; provided that each utility shall notify the commission of the accounting practice adopted, which shall be consistently followed for all such equipment. No change in such accounting practice shall be made without approval of the commission.

Note D: Large switching or control stations containing equipment of the character listed under account 362, Station Equipment, shall be included in that account even though such equipment is used solely for switching or control and does not change the characteristics of electric energy.

366. Underground Conduit
This account shall include the cost installed of underground conduit and tunnels used for housing distribution cables or wires. (See electric plant instructions 168.10, subd. (i) and 168.14.)

ITEMS
1. Conduit, concrete, brick and tile, including iron pipe, fiber pipe, Murray duct, and standpipe on pole or tower.
2. Excavation, including shoring, bracing, bridging, backfill, and disposal of excess excavated material.
3. Foundations and settings specially constructed for and not expected to outlast the apparatus for which constructed.
4. Lighting systems.
5. Manholes, concrete or brick, including iron or steel frames and covers, hatchways, gratings, ladders, cable racks and hangers, etc., permanently attached to manholes.
6. Municipal inspection.
7. Pavement disturbed, including cutting and replacing pavement, pavement base, and sidewalks.
8. Permits for construction. (See note to electric plant instruction 168.7, subd. (d.).)
10. Removal and relocation of subsurface obstructions.
11. Sewer connections, including drains, traps, tide valves, check valves, etc.
12. Sumps, including pumps.
13. Ventilating equipment.

Note A: The cost of underground conduit used solely for street lighting or signal systems shall be included in account 373, Street Lighting and Signal System.

Note B: The utility shall maintain maps or other records from which readily can be determined the following:
   (1) Transmission
   (2) Distribution
   (3) Street lighting
   (4) Other purposes
   (5) Vacant

367. Underground Conductors and Devices
A. This account shall include the cost installed of underground conductors and devices used for distribution purposes. (See electric plant instructions 168.10, subd. (i) and 168.14.)

B. The records supporting this account shall be kept so that the utility can readily determine the number of feet of wire subdivided as follows:
   (1) Primary Alternating Current
   (2) Secondary Alternating Current
   (3) Direct Current Feeders and Mains
   (4) Edison Tube

ITEMS
1. Armored conductors, buried, including insulators, insulating materials, splices, potheads, trenching, etc.
2. Armored conductors, submarine, including insulators, insulating materials, splices in terminal chamber, potheads, etc.
3. Cables in standpipe, including pothead and connection from terminal chamber or manhole to insulators on pole.
5. Fireproofing, in connection with any items listed herein.
6. Hollow core oil filled cable, including straight or stop joints, pressure tanks, auxiliary air tanks, feeding tanks, terminals, potheads and connections, etc.
7. Lead and fabric covered conductors, including insulators, compound filled, oil filled or vacuum splices, potheads, etc.
8. Lightning arresters.
9. Municipal inspection.
10. Permits for construction. (See note to electric plant instruction 168.7, subd. (d).)
11. Protection of street openings.
12. Racking of cables.
14. Other line devices.

Note A: The cost of underground conductors and devices used solely for street lighting or signal systems shall be included in account 373, Street Lighting and Signal Systems.

Note B: "Primary" lines comprise cables, wires, and accessory line devices from the distribution center, generating station, or other point of origin of the distribution line to the line transformer or network.
transformer or to the service connections of high tension customers. "Secondary" lines comprise cables, wires, and accessory line devices from the line transformer or network transformer to the service connection leading to premises of customers.

Note C: The cost of protective devices, except network protectors, on distribution lines may be included wholly in either account 365, Overhead Conductors and Devices, 367, Underground Conductors and Devices, as appropriate, or wholly in account 368, Line Transformers; provided that each utility shall notify the commission of the accounting practice adopted, which shall be consistently followed for all such equipment. No change in such accounting practice shall be made without approval of the commission.

Note D: Large switching or control stations containing equipment of the character listed under account 362, Station Equipment, shall be included in that account even though such equipment is used solely for switching or control and does not change the characteristics of electric energy.

368. Line Transformers

A. This account shall include the cost of overhead and underground distribution line transformers, pole-type and underground voltage regulators, and network protectors owned by the utility, for use in transforming electric energy to secondary voltages (i.e., voltages, usually 660 volts or less, at which the energy is ordinarily supplied to low tension customers), whether actually in service or held in reserve, also the cost of auto, phase changing, and sign lighting transformers for use in connection with service connections to customers' premises. This account shall include the cost of labor employed, materials used and expenses incurred in connection with the first installation of line transformers, voltage regulators, etc., the cost of which is included in this account.

B. When a line transformer or other retirement unit is permanently retired from service, the cost thereof and the cost of its installation included herein shall be credited to this account.

C. The records covering line transformers shall be so kept that the utility can furnish the number of transformers of various capacities in service, those in reserve, the location and the use of each transformer, and whether underground or overhead.

D. In respect to installation costs, this account may be subdivided into two subaccounts: subdivision 1 to include the labor, transportation and other components of cost (see electric plant instruction 168.3) applicable thereto involved in placing the transformers, network protectors, voltage regulators or other items included herein; subdivision 2 to include the cost installed of associated items of equipment includable in this account such as lightning arresters, cutouts, grounds, wiring and other permanent attachments. When this is done, the entire amount included in subdivision 2 at a location shall be considered one or more retirement units to be retired only when a complete retirement unit is removed or the location abandoned.

ITEMS

1. Ground wires.
2. Installation, labor of (first installation only).
5. Transformer lightning arresters, installed (first set).
6. Transformers, line and network.
7. Voltage regulators.

Note A: The cost of removing and resetting line transformers shall not be charged to this account but to account 583, Overhead Line Expenses or account 584, Underground Line Expenses, as appropriate. These accounts shall be credited with the salvage recovered from minor items when a line transformer is removed from service but not permanently retired.

Note B: Do not include in this account transformers of a type for use exclusively in connection with street lighting and signal systems. (See account 373, Street Lighting and Signal Systems.)

Note C: When a line transformer of 100 k.v.a. or less is rewound or otherwise substantially rebuilt, it shall be retired. The rebuilt unit shall be charged to electric plant at not more than the cost of a similar new unit as of the year of rebuilding and shall be recorded as of that year. The salvage credited to the accumulated provision for depreciation for the reused portions of the retired unit shall not exceed the difference between the cost of a new unit and the cost of rebuilding. Any excess expenditure over the amount includible in the electric plant account shall be charged to the maintenance account appropriate for the equipment. When a line transformer of more than 100 k.v.a. is rebuilt, a retirement shall be made equal to the expenditure for rebuilding (but if the rebuilding cost exceeds the book cost, not more than the book cost shall be retired) and the full rebuilding cost shall be charged to electric plant as of the year when incurred. If the rebuilding increases the capacity of the unit, the amount to be retired as the computed cost of rebuilding shall be reduced by the excess of the cost actually incurred over the estimated cost of rebuilding without increasing the capacity.

Note D: 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 E: The cost of protective devices, except network protectors, on distribution lines may be included wholly in either account 365, Overhead Conductors and Devices, 367, Underground Conductors and Devices, as appropriate, or wholly in this account; provided that each utility shall notify the commission of the accounting practice adopted, which shall be consistently followed for all such equipment.

Note F: All labor and other cost incurred in installing and removing transformers, voltage regulators, network protectors, etc., in connection with first installations, permanent removals, reinstallations, relocations, etc., of line transformers may be charged initially to an appropriate suspense account. The amount includible in this account for first installations (which may be determined on the basis of estimated unit costs) shall be charged monthly to this account, for transformers installed during the month, and concurrently credited to the suspense account to which the costs were charged initially. The balance in the suspense account shall then be cleared to account 583, Overhead Line Expenses or account 584, Underground Line Expenses, as appropriate.

Note G: The cost installed of transformers of small capacity, such as fractional k.v.a. types, for which the foregoing accounting requirements are burdensome, may be included, either as minor items or as retirement units, in the account which is charged with the cost of the equipment.
with which the transformers are associated.

369. Services
This account shall include the cost installed of overhead and underground conductors leading from a point where wires leave the last pole of the overhead system or the distribution box or manhole, or the top of the pole of the distribution line, to the point of connection with the customer's outlet or wiring. Conduit used for underground service conductors shall be included herein. (See electric plant instruction 168.10, subd. (i).)

ITEMS
1. Brackets.
2. Cables and wires.
3. Conduit.
4. Insulators.
5. Municipal inspection.
6. Overhead to underground, including conduit or standpipe and conductor from last splice on pole to connection with customer's wiring.
7. Pavement disturbed, including cutting and replacing pavement, pavement base, and sidewalks.
8. Permits.
10. Service switch.
11. Suspension wire.

Note A: When a line transformer is located on private property, the conductors on the high side thereof shall be included in this account only when the transformer is installed for the exclusive use of the individual customer.

Note B: When one or more conductors are added to an existing service, the original service shall not be retired.

370. Meters
A. This account shall include the cost of meters, devices and appurtenances attached thereto, for use in measuring the electricity delivered to its users, whether actually in service or held in reserve; this account shall also include the cost of labor employed, materials used, and expenses incurred in connection with the first installation of meters, devices and appurtenances attached thereto.

B. When a meter is permanently retired from service, the amount at which it is included herein and the cost of its installation included herein shall be credited to this account and concurrently charged to the appropriate related accumulated provisions for depreciation.

ITEMS
1. Alternating current watthour meters.
2. Current limiting devices.
3. Demand indicators.
4. Demand meters.
5. Direct current watthour meters.
6. Graphic demand meters.
7. Installation, labor of (first installation only).
8. Instrument transformers.
10. Meter badges and their attachments.
11. Meter boards and boxes.
12. Meter fittings, connections, and shelves (first set).
13. Meter switches and cut-outs.
15. Protective devices.

Note A: This account shall not include meters for recording the output of a generating station or a transmission substation. It includes only those meters to record the energy delivered to customers, including company use, and for use elsewhere on the distribution system if of a type available for general use.

Note B: The cost of removing and resetting meters shall be charged to account 586, Meter Expenses, to which account shall be credited the salvage recovered from minor items when a meter is removed from service but not permanently retired.

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 (subdivided between active and cut-out) and the number of meters carried herein but not in service, the latter to include meters undergoing repairs.

Note D: 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 E: When a demand register or attachment is attached to or removed from a watthour meter, no retirement shall be made unless the item (i.e., meter, demand register or attachment) is permanently retired from service. The cost of labor and minor items used in attaching or detaching demand devices, and also the cost of making test after conversion is completed, shall be debited to account 597, Maintenance of Meters. Minor items removed in making the conversion shall be credited to account 597, Maintenance of Meters, at the amount at which they are charged to account 150.154, Plant Materials and Operating Supplies.

Note F: Charges made to customers for connection, disconnection or reconnection of meters shall be credited to account 451, Miscellaneous Service Revenues.

371. Installations on Customers' Premises

This account shall include the cost installed of equipment on the customer's side of a meter when the utility incurs such cost and when the utility retains title to and assumes full responsibility for maintenance and replacement of such property. This account shall not include leased equipment, for which see account 372, Leased Property on Customers' Premises.

ITEMS

1. Cable vaults.
2. Commercial lamp equipment.
3. Foundations and settings specially provided for equipment included herein.
4. Frequency changer sets.
5. Motor generator sets.
6. Motors.
7. Switchboard panels, high and low tension.
8. Wire and cable connections to incoming cables.

Note A: Do not include in this account any costs incurred in connection with merchandising, jobbing or contract work activities.
Note B: It is intended that only equipment used in furnishing special service or service of a character different from that normally supplied shall be included in this account, but not equipment of a different size or type when such difference is due merely to the size of the installation.

372. Leased property on Customers' Premises

This account shall include the cost of electric motors, transformers, and other equipment on customers' premises (including municipal corporations) leased or loaned to customers, but not including property held for sale.

Note A: The cost of setting and connecting such appliances or equipment on the premises of customers and the cost of resetting or removal shall not be charged to this account but to operating expense account 587, Customer Installations Expenses.

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

373. Street Lighting and Signal Systems

This account shall include the cost installed of equipment used wholly for public street and highway lighting or traffic, fire alarm, police, and other signal systems. (See electric plant instruction 168.10, subd. (i).)

ITEMS

1. Armored conductors, buried or submarine, including insulators, insulating materials, splices, trenching, etc.
2. Automatic control equipment.
3. Conductors, overhead or underground, including lead or fabric covered, parkway cables, etc. including splices, insulators, etc.
3a. Conduit runs used solely for street lighting or signal systems, not including ducts in a bank part of which is used or held for use for other purposes.
4. Lamps, arc, incandescent, or other types, including glassware, suspension fixtures, brackets, etc.
5. Municipal inspection.
6. Ornamental lamp posts.
7. Pavement disturbed, including cutting and replacing pavement, pavement base, and sidewalks.
8. Permits.
11. Relays or time clocks.
12. Series contactors.
14. Transformers, pole or underground.
15. Transformers, rectifiers, and other special station equipment devoted exclusively to street lighting and signal systems. (See note C below.)
16. Service connections, including conduit and conductors. (See note C below.)

Note A: This account shall not include poles available for supporting distribution conductors. Line transformers and meters of types which can be used for general customers may be carried in accounts 368 and 370 even though in street lighting or signal system service.

Note B: When a substantial item of equipment such as a transformer or regulator, which is readily identifiable by serial number or other
distinguishing mark is removed from service and there is reasonable probability of its reuse, only the cost of installation and associated minor items shall be retired, but no retirement shall be made of the cost of the item itself. The cost of such equipment shall be carried in a separate subaccount.

Note C: The cost of transformers, rectifiers, and other equipment located at stations and devoted exclusively to street lighting or signal system service may be included in the account for station equipment provided such equipment is so recorded and noted in the continuing property record that it can be identified and its original cost readily determined; otherwise such equipment shall be included in this account.

5. GENERAL PLANT

389. Land and Land Rights
This account shall include the cost of land and land rights used for electric plant purposes, the cost of which is not properly includible in other land and land rights accounts. (See electric plant instruction 168.7.)

390. Structures and Improvements
This account shall include the cost in place of structures and improvements used for electric plant purposes, the cost of which is not properly includible in other structures and improvements accounts. (See electric plant instruction 168.8.)

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 electric 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 electric plant instruction 168.3, (a) (3).)

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

ITEMS

1. Book cases and shelves.
2. Desks, chairs, and desk equipment.
3. Drafting room equipment.
4. 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.
4. Electrical vehicles.
5. Motor trucks.
7. Repair cars or trucks.
8. Tractors and trailers.
9. Other transportation vehicles.

Note: Compressors, hoists, concrete mixers, etc., so mounted on a
tool 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
electric plant instruction 168.3, (a) (3).)
B. If the utility has equipment includible in this account at more
than one location, separate records shall be maintained for each
location.

ITEMS

1. Chain falls.
2. Counters.
4. Elevating and stacking equipment (portable).
5. Hoists.
7. Scales.
8. Shelving.
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 electric plant instruction 168.3, (a) (3).)
B. If the utility has equipment includible in this account at more
than one location, separate records shall be maintained for each
location.
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.
7. Cable pulling equipment.
8. Concrete mixers.
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.
17. Gasoline pumps, oil pumps and storage tanks.
18. Greasing tools and equipment.
20. Ladders.
21. Lathes.
23. Motor driven tools.
24. Motors.
25. Pipe threading and cutting tools*.
* So in original. "toools" should be "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 electric plant instruction 168.3, (a) (3).)
B. If the utility has equipment includible in this account at more than one location, separate records shall be maintained for each location.

ITEMS

1. Ammeters.
2. Current batteries.
3. Frequency changers.
5. Inductometers.
6. Laboratory standard millivolt meters.
7. Laboratory standard volt meters.
8. Meter-testing equipment.
10. Motor generator sets.
11. Panels.
13. Portable graphic ammeters, voltmeters, and wattmeters.
15. Potential batteries.
17. Rotating standards.
20. Synchronous timers.
22. Testing resistors.
23. Transformers.
24. Voltmeters.
25. Other testing, laboratory, or research equipment not provided for elsewhere.

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.
5. Cranes and hoists.
6. Diggers.
7. Engines.
8. Pile drivers.
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 electric 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 electric operations, which is not includible in any other account. (See note to electric plant instruction 168.3, (a) (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 electric 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 ACCOUNTS
1. UTILITY OPERATING INCOME
400. Operating Revenues
401. Operation Expense
402. Maintenance Expense
402.1 Joint Expense
403. Depreciation Expense
404. Amortization of Limited-term Electric Plant
405. Amortization of Other Electric Plant
406. Amortization of Electric Plant Acquisition Adjustments
407. Amortization of Property Losses
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 Income
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

Total Operating Expenses
Net Operating Revenue

412. Revenue from Electric Plant Leased to Others
413. Expenses of Electric Plant Leased to Others

Income from Electric Plant Leased to Others
Total Electric 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, Jobbing, 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
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 Credit
   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 Extraordinary Items
5. EXTRAORDINARY ITEMS
409.3 Income Taxes, Extraordinary Items
434. Extraordinary Income
435. Extraordinary Deductions
   Net Income
   1. UTILITY OPERATING INCOME
400. Operating Revenues
   There shall be shown under this caption the total amount included in
   the electric operating revenue accounts provided herein.
401. Operation Expense
   There shall be shown under this caption the total amount included in
   the electric operation expense accounts provided herein.
402. Maintenance Expense
   There shall be shown under this caption the total amount included in
   the electric maintenance expense accounts provided herein.
402.1 Joint Expense
   There shall be shown under this caption the total amount included in
   the electric joint expense accounts provided herein.
403. Depreciation Expense
   A. This account shall include the amount of depreciation expense for
   all classes of depreciable electric plant in service and on the portion
   of depreciable common utility plant in service applicable to electric
   operations, except such depreciation expense as is chargeable to account
   416, 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, Electric Plant Leased to Others, shall be charged to account 413, Expenses of Electric 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.

Note C: Depreciation expense applicable to transportation equipment used for transportation of fuel from the point of acquisition to the unloading point shall be charged to account 150.151 Fuel Stock.

404. Amortization of Limited-term Electric Plant
This account shall include amortization charges applicable to amounts included in the electric 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, Accumulated Provision for Amortization of Electric Plant in Service.)

405. Amortization of Other Electric Plant
A. When authorized by the commission, this account shall include charges for amortization of intangible or other utility 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 Electric 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, Electric Plant Acquisition Adjustment, and in the appropriate subdivision of account 118.1, Common Utility Plant. (See balance sheet account 114, Electric Plant Acquisition Adjustments, paragraph C.)

407. 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 electric operating expenses.

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 non-utility 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 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.

Note J: Ad valorem taxes on utility-owned transportation equipment used to transport fuel from the point of acquisition to the unloading point shall be charged to account 150.151, Fuel Stock.

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.
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.

Special Instructions
Accounts 409.1, 409.2 and 409.3

A. These accounts shall include the amounts of Federal income taxes on income properly accruable during the period covered by the income statement to meet the actual liability for such taxes. Concurrent credits for the tax accrual 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 includable 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 166.7(b) for prior period adjustments.)

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 that 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--Electric and account 107, Construction Work in Progress--Electric) to net investment in nonutility plant.

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 department), 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. Provision 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 Deferral 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 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
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 Nonutility 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, Electric 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, Electric 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 § 166.7) This account shall also be used for other tax adjustments which the commission may authorize or direct to be recorded herein.

412. Revenues from Electric Plant Leased to Others
413. Expenses of Electric Plant Leased to Others
A. These accounts shall include respectively, revenues from electric property constituting a distinct operating unit or system leased by the utility to others, and which property is properly includible in account 104, Electric 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, insurance, and taxes (except income taxes).
   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 gas, 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.
11. Bookkeeping and other clerical work in connection with merchandise and jobbing activities.
12. Supervising merchandise and jobbing operations.

Materials and Expenses:
13. Advertising in newspapers, periodicals, radio, television, etc.
14. Cost of merchandise sold and of materials used in jobbing work.
15. Stores expenses on merchandise and jobbing stock.
16. Fees and expenses of advertising and commercial artists' agencies.
17. Printing booklets, dodgers, and other advertising data.
18. Premiums given as inducement to buy appliances.
19. Light, heat, and power.
20. Depreciation of equipment used primarily for merchandise and jobbing operations.
21. Rent of sales rooms or of equipment.
22. Transportation expense in delivery and pickup of appliances by utility's facilities or by others.
23. Stationery and office supplies and expenses.
24. 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 services 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 interest-bearing 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 Electric Plant Instruction 168.3 (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. Fees collected in connection with the exchange of coupon bonds for registered bonds.

2. Gain on disposition of investments and reacquisition and resale or retirement of utility's debt securities and investments.

3. Profits from operations of others realized by the utility under contracts.

4. Profit on sale of timber or other natural resources (see electric plant instruction 168.7(c)).

421.1. Gain on Disposition of Property

This account shall be credited with the gains 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, Electric Plant Held for Future Use will be accounted for as prescribed in paragraphs B, C, and D thereof. (See electric plant instructions 168.5(f), 168.7(e) and 168.10(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, Electric Plant Held for Future Use will be accounted for as prescribed in paragraphs B, C, and D thereof. (See electric plant instructions 168.5(f), 168.7(e) and 168.10(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, Electric 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 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 
project, 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, noncustomary, 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 166.7(a).)

435. Extraordinary Deductions
This account shall be debited with nontypical, noncustomary, 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 166.7(a).)

RETAINED EARNINGS ACCOUNTS

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 appropriated retained earnings instruction 169.1)

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 retirement 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 settlement 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 expenses.

OPERATING REVENUE ACCOUNTS

1. SALES OF ELECTRICITY
440. Residential Sales
442. Commercial and Industrial Sales
444. Public Street and Highway Lighting
445. Other Sales to Public Authorities
446. Sales to Railroads and Railways
447. Sales for Resale
448. Interdepartmental Sales
2. OTHER OPERATING REVENUES
450. Forfeited Discounts
451. Miscellaneous Service Revenues
453. Sales of Water and Water Power
454. Rent from Electric Property
455. Interdepartmental Rents
456. Other Electric Revenues

1. SALES OF ELECTRICITY
440. Residential Sales
A. This account shall include the net billing for electricity supplied for residential or domestic purposes, including farm customers supplied under residential rates, and to religious bodies.
B. Records shall be maintained so that the quantity of electricity sold and the revenue received under each rate schedule shall be readily available.
Note: When electricity supplied through a single meter is used for
both residential and commercial purposes, the total revenue shall be included in this account or in account 442, 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.

442. Commercial and Industrial Sales
A. This account shall include the net billing for electricity supplied to commercial and industrial customers.
B. Records shall be maintained so that the quantity of electricity 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 electricity sold and the charges made therefor for each customer for each month or other appropriate billing period are readily available.

Note: When electricity 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 440, 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.

444. Public Street and Highway Lighting
A. This account shall include the net billing for electricity supplied and services rendered for the purposes of lighting streets, highways, parks and other public places, or for traffic or other signal system service, for municipalities or other divisions or agencies of State or federal governments.
B. Records shall be maintained so that the quantity of electricity sold and the revenue received from each customer shall be readily available. In addition, the records shall be maintained so as to show the revenues from (1) contracts which include both electricity and services, and (2) contracts which include sales of electricity only.

445. Other Sales to Public Authorities
A. This account shall include the net billing for electricity supplied to municipalities or divisions or agencies of federal or state governments, (including electricity supplied for the operation of publicly owned railroads and railways) under special contracts or agreements or service classifications applicable only to public authorities, except such revenues as are includible in accounts 444 and 447.
B. Records shall be maintained so as to show the quantity of electricity sold and the revenue received from each customer.

446. Sales to Railroads and Railways
A. This account shall include the net billing for electricity supplied to railroads and interurban and street railways, for general railroad use, including the propulsion of cars or locomotives, where such electricity is supplied under separate and distinct rate schedules.
B. Records shall be maintained so that the quantity of electricity sold and the revenue received from each customer shall be readily available.

Note: Revenues from incidental use of electricity furnished under a contract for propulsion of cars or locomotives shall be included herein.

447. Sales for Resale
A. This account shall include the net billing for electricity supplied to other electric utilities or to public authorities for resale
purposes.
   B. Records shall be maintained so as to show the quantity of electricity sold and the revenue received from each customer.
   Note: Revenues from electricity supplied to other public utilities for use by them and not for distribution, shall be included in account 442, Commercial and Industrial Sales, unless supplied under the same contract as and not readily separable from revenues includible in this account.
448. Interdepartmental Sales
   A. This account shall include amounts charged by the electric department at tariff or other specified rates for electricity supplied by it to other utility departments.
   B. Records shall be maintained so that the quantity of electricity supplied each other department and the charges therefor shall be readily available.
2. OTHER OPERATING REVENUES
450. Forfeited Discounts
   This account shall include the amounts which the utility allows its customers on condition that they pay their electric bills on or before a specified date and which are forfeited by the customers because of failure to pay within the specified time.
451. Miscellaneous Service Revenues
   This account shall include revenues for 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, wiring, piping or other installations on customers' premises.
   3. Net credit or debit (cost less net salvage and less payment from customers) on closing or 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 current diversion cases. (Billing for the electricity consumed shall be included in the appropriate electric revenue account.)
453. Sales of Water and Water Power
   A. This account shall include revenues derived from the sale of water for irrigation, domestic, industrial or other uses, or for the development by others of water power or for headwater benefits; also, revenues derived from furnishing water power for mechanical purposes when the investment in the property used in supplying such water or water power is carried as electric plant in service.
   B. The records for this account shall be kept in such manner as to permit an analysis of the rates charged and the purposes for which the water was used.
   Note: This account shall be used only when water or mechanical power is actually delivered to the customers' premises. When electricity is generated on the utility's premises, the revenue therefrom shall be credited to the appropriate account for sales of electric energy.
454. Rent from Electric Property
   A. This account shall include rents received for the use by others of land, buildings, and other property devoted to electric 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 172.5.)

Note A: Do not include rent from property constituting an operating unit or system in this account. (See account 412, Revenues From Electric Plant Leased to Others, and income account instruction 170.3.

Note B: Amounts received from others for the transmission of electric energy shall be credited to account 456, Other Electric Revenues.

455. Interdepartmental Rents
This account shall include rents credited to the electric department on account of rental charges made against other departments (gas, 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 electric department for interest or return and depreciation and taxes shall be credited to this account.

456. Other Electric Revenues
This account shall include revenues derived from electric 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 material and supplies not ordinarily purchased for resale and not handled through merchandising and jobbing accounts.
3. Sale of steam, but not including sales made by a steam-heating department or transfers of steam under joint facility operations.
4. Revenues from transmission of electricity of others over transmission facilities of the utility.
5. Rentals from property included in account 372, Leased Property on Customers' Premises.
6. 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. POWER PRODUCTION EXPENSES
A. STEAM POWER GENERATION
   Operation
500. Operation Supervision and Engineering
501. Fuel
502. Steam Expenses
503. Steam from Other Sources
504. Steam Transferred—Credit
505. Electric Expenses
506. Miscellaneous Steam Power Expenses
507. Rents
     Maintenance
510. Maintenance Supervision and Engineering
511. Maintenance of Structures
512. Maintenance of Boiler Plant
513. Maintenance of Electric Plant
514. Maintenance of Miscellaneous Steam Plant
     Joint Expenses
515.1 Joint Expenses--Debit
515.2 Joint Expenses--Credit
B. NUCLEAR POWER GENERATION
517. Operation Supervision and Engineering
518.1 Nuclear Fuel
518.2 Other Fuel
519. Coolants and Water
520. Steam Expenses
521. Steam from Other Sources
522. Steam Transferred--Credit
523. Electric Expenses
524. Miscellaneous Nuclear Power Expenses
525. Rents
   Maintenance
528. Maintenance Supervision and Engineering
529. Maintenance of Structures
530. Maintenance of Reactor Plant Equipment
531. Maintenance of Electric Plant
532. Maintenance of Miscellaneous Nuclear Plant
   Joint Expenses
533.1 Joint Expenses--Debit
533.2 Joint Expenses--Credit
C. HYDRAULIC POWER GENERATION
   Operation
535. Operation Supervision and Engineering
536. Water for Power
537. Hydraulic Expenses
538. Electric Expenses
539. Miscellaneous Hydraulic Power Generation Expenses
540. Rents
   Maintenance
541. Maintenance Supervision and Engineering
542. Maintenance of Structures
543. Maintenance of Reservoirs, Dams and Waterways
544. Maintenance of Electric Plant
545. Maintenance of Miscellaneous Hydraulic Plant
   Joint Expenses
545.1 Joint Expense--Debit
545.2 Joint Expense--Credit
D. OTHER POWER GENERATION
   Operation
546. Operation Supervision and Engineering
547. Fuel
548. Generation Expenses
549. Miscellaneous Other Power Generation Expenses
550. Rents
   Maintenance
551. Maintenance Supervision and Engineering
552. Maintenance of Structures
553. Maintenance of Generating and Electric Plant
554. Maintenance of Miscellaneous Other Power Generation Plant
   Joint Expenses
554.1 Joint Expenses--Debit
554.2 Joint Expenses--Credit
E. OTHER POWER SUPPLY EXPENSES
555. Purchased Power
556. System Control and Load Dispatching
557. Other Expenses
  Joint Expenses
  558.1 Joint Expenses--Debit
  558.2 Joint Expenses--Credit
2. TRANSMISSION EXPENSES
  Operation
  560. Operation Supervision and Engineering
  561. Load Dispatching
  562. Station Expenses
  563. Overhead Line Expenses
  564. Underground Line Expenses
  565. Transmission of Electricity by Others
  566. Miscellaneous Transmission Expenses
  567. Rents
    Maintenance
  568. Maintenance Supervision and Engineering
  569. Maintenance of Structures
  570. Maintenance of Station Equipment
  571. Maintenance of Overhead Lines
  572. Maintenance of Underground Lines
  573. Maintenance of Miscellaneous Transmission Plant
    Joint Expenses
    574.1 Joint Expenses--Debit
    574.2 Joint Expenses--Credit
3. DISTRIBUTION EXPENSES
  Operation
  580. Operation Supervision and Engineering
  581. Load Dispatching
  582. Station Expenses
  583. Overhead Line Expenses
  584. Underground Line Expenses
  585. Street Lighting and Signal System Expenses
  586. Meter Expenses
  587. Customer Installations Expenses
  588. Miscellaneous Distribution Expenses
  589. Rents
    Maintenance
  590. Maintenance Supervision and Engineering
  591. Maintenance of Structures
  592. Maintenance of Station Equipment
  593. Maintenance of Overhead Lines
  594. Maintenance of Underground Lines
  595. Maintenance of Line Transformers
  596. Maintenance of Street Lighting and Signal Systems
  597. Maintenance of Meters
  598. Maintenance of Miscellaneous Distribution Plant
    Joint Expenses
    599.1 Joint Expenses--Debit
    599.2 Joint Expenses--Credit
4. 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

5. CUSTOMER SERVICE EXPENSES
   Operation
   909. Supervision
   910. Customer Assistance Expenses
   911. Informational Advertising Expenses
   912. Miscellaneous Customer Service Expenses
   913. Rents

6. SALES PROMOTION EXPENSES
   Operation
   915. Supervision
   916. Demonstrating and Selling Expenses
   917. Promotional Advertising Expenses
   918. Miscellaneous Sales Promotion Expenses
   919. Rents

7. 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. Employees 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 Plant
       Joint Expenses
   933.1 Joint Expenses--Debit
   933.2 Joint Expenses--Credit

EXPENSE ACCOUNTS

1. POWER PRODUCTION EXPENSES
   A. Steam Power Generation
      Operation
      500. 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 power
      generating stations. Direct supervision of specific activities, such as
      fuel handling, boiler-room operations, generator operations, etc., shall
      be charged to the appropriate account. (See operating expense
      instruction 172.1.)
      Note: The cost of fuel analysis shall be charged to account 150.152,
      Fuel Stock Expense Undistributed.
501. Fuel
A. This account shall include the cost of fuel used in the production of steam for the generation of electricity, including expenses in unloading fuel from the shipping media and handling thereof up to the point where the fuel enters the first boiler plant bunker, hopper, bucket, tank or holder of the boiler-house structure. Records shall be maintained to show the quantity, b.t.u. content and cost of each type of fuel used.
B. The cost of fuel 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.

ITEMS

Labor:
1. Supervising purchasing 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 fuel from one station to another.
5. Handling from storage or shipping facility to first bunker, hopper, bucket, tank or holder of boilerhouse structure.
6. Operation of mechanical equipment, such as locomotives, trucks, cars, boats, barges, cranes, etc.

Materials and Expenses:
7. Cost of fuel including freight, switching, demurrage and other transportation charges.
8. Excise taxes, insurance, purchasing commissions and similar items.
9. Stores expenses to extent applicable to fuel.
10. Transportation and other expenses in moving fuel in storage.
11. Tools, lubricants and other supplies.
12. Operating supplies for mechanical equipment.
13. Residual disposal expenses less any proceeds from sale of residuals, including those resulting from operation of sintering plant equipment.
14. Operating, maintenance, and depreciation expenses and ad valorem taxes on utility-owned transportation equipment used to transport fuel from the point of acquisition to the unloading point.
15. Lease or rental costs of transportation equipment used to transport fuel from the point of acquisition to the unloading point.

Note: Abnormal fuel handling expenses occasioned by emergency conditions shall be charged to expense as incurred.

502. Steam Expenses
This account shall include the cost of labor, materials used and expenses incurred in production of steam* for electric generation. This includes all expenses of handling and preparing fuel beginning at the point where the fuel enters the first boiler plant bunker, hopper, tank or holder of the boiler-house structure.

* So in original. "stream" should be "steam".

ITEMS

Labor:
1. Supervising steam production.
2. Operating fuel conveying, storage, weighing and processing
equipment within boiler plant.

3. Operating boiler and boiler auxiliary equipment.

4. Operating boiler feed water purification and treatment equipment.

5. Operating ash-collecting and disposal equipment located inside the plant.

6. Operating boiler plant electrical equipment.

7. Keeping boiler plant log and records and preparing reports on boiler plant operation.

8. Testing boiler water.

9. Testing, checking, and adjusting meters, gauges, and other instruments and equipment in boiler plant.

10. Cleaning boiler plant equipment when not incidental to maintenance work.

11. Repacking glands and replacing gauge glasses where the work involved is of a minor nature and is performed by regular operating crews. Where the work is of a major character, such as that performed on high-pressure boilers, the item should be considered as maintenance.

Materials and Expenses:

12. Chemicals and boiler inspection fees.

13. Lubricants.


503. Steam from Other Sources

This account shall include the cost of steam purchased, or transferred from another department of the utility or from others under a joint facility operating arrangement, for use in prime movers devoted to the production of electricity.

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

504. Steam Transferred--Credit

A. This account shall include such portion of the cost of producing steam as is charged to other electric 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 electric 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 172.5, subd. (b).)

505. Electric Expenses

This account shall include the cost of labor, materials used and expenses incurred in operating prime movers, generators, and their auxiliary apparatus, switch gear and other electric equipment to the points where electricity leaves for conversion for transmission or distribution.

ITEMS

Labor:
1. Supervising electric production.
2. Operating turbines, engines, generators and exciters.
3. Operating condensers, circulating water systems and other auxiliary apparatus.
4. Operating generator cooling system.
5. Operating lubrication and oil control system, including oil purification.
6. Operating switchboards, switch gear and electric control and protective equipment.
7. Keeping electric plant log and records and preparing reports on electric plant operations.
8. Testing, checking and adjusting meters, gauges, and other instruments, relays, controls and other equipment in the electric plant.
9. Cleaning electric plant equipment when not incidental to maintenance work.
10. Repacking glands and replacing gauge glasses.

Materials and Expenses:
11. Lubricants and control system oils.
12. Generator cooling gases.
13. Circulating water purification supplies.
15. Motor and generator brushes.

506. Miscellaneous Steam Power Expenses
This account shall include the cost of labor, materials used and expenses incurred which are not specifically provided for or are not readily assignable to other steam generation operation expense accounts.

ITEMS
Labor:
1. General clerical and stenographic work.
2. Guarding and patrolling plant and yard.
3. Building service.
4. Care of grounds including snow removal, cutting grass, etc.
5. Miscellaneous labor.

Materials and Expenses:
6. General operating supplies, such as tools, gaskets, packing waste, gauge glasses, hose, indicating lamps, record and report forms, etc.
7. First-aid supplies and safety equipment.
8. Employees' service facilities expenses.
10. Communication service.
11. Miscellaneous office supplies and expenses, printing and stationery.
12. Transportation expenses.
14. Research and development expenses.

507. Rents
This account shall include all rents of property of others used, occupied or operated in connection with steam power generation. (See operating expense instruction 172.3.)

Maintenance
510. 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 generation facilities. Direct field supervision of specific jobs shall be charged
to the appropriate maintenance account. (See operating expense instruction 172.1.)

511. Maintenance of Structures
This account shall include the cost of labor, materials used and expenses incurred in the maintenance of steam structures, the book cost of which is includible in account 311, Structures and Improvements. (See operating expense instruction 172.2.)

512. Maintenance of Boiler Plant
A. This account shall include the cost of labor, materials used and expenses incurred in the maintenance of steam plant, the book cost of which is includible in account 312, Boiler Plant Equipment. (See operating expense instruction 172.2.)
B. For the purpose of making charges hereto and to account 513, Maintenance of Electric Plant, the point at which steam plant is distinguished from electric plant is defined as follows:
   (1) Inlet flange of throttle valve on prime mover.
   (2) Flange of all steam extraction lines on prime mover.
   (3) Hotwell pump outlet on condensate lines.
   (4) Inlet flange of all turbine-room auxiliaries.
   (5) Connection to line side of motor starter for all boiler-plant equipment.

513. Maintenance of Electric Plant
This account shall include the cost of labor, materials used and expenses incurred in the maintenance of electric plant, the book cost of which is includible in accounts 313, Engines and Engine Driven Generators, 314, Turbogenerator Units, and 315, Accessory Electric Equipment. (See operating expense instruction 172.2 and paragraph B of account 512.)

514. Maintenance of Miscellaneous Steam Plant
This account shall include the cost of labor, materials used and expenses incurred in maintenance of miscellaneous steam generation plant, the book cost of which is includible in account 316, Miscellaneous Power Plant Equipment. (See operating expense instruction 172.2.)

Joint Expenses

515.1 Joint Expenses--Debit
A. This account shall include amounts for the cost of operation and maintenance payable by the electric department to others, or to a coordinate department, for joint facilities used, occupied or operated in connection with steam power generation. (See operating expense instruction 172.5.)
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
   Note: Charges for steam produced in joint facilities shall not be included in this account but in account 503, Steam from Other Sources.

515.2 Joint Expenses--Credit
A. This account shall include such portion of the cost of operating and maintaining joint facilities operated by the electric department in connection with steam power generation as is charged to others or to a coordinate department. (See operating expense instruction 172.5.)
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

Note: Credits for steam transferred, produced in joint facilities, shall not be included in this account but in account 504, Steam Transferred--Credit.

B. Nuclear Power Generation Operation

517. 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 nuclear power generating stations. Direct supervision of specific activities, such as fuel handling, reactor operations, generator operations, etc., shall be charged to the appropriate account. (See operating expense instruction 172.1.)

518.1 Nuclear Fuel

A. This account shall include the cost of nuclear fuel used for the production of steam in the generation of electricity by nuclear process.

B. This account shall be debited and appropriate subdivisions of account 120.5 Accumulated Provision for Amortization of Nuclear Fuel Assemblies, credited for the amortization of the net cost of nuclear fuel assemblies used in the production of energy. The net cost of nuclear fuel assemblies subject to amortization shall be the cost of nuclear fuel assemblies plus or less the expected net salvage of uranium, plutonium, and other by-products and unburned fuel. The utility shall adopt the necessary procedures to assure that charges to this account are distributed according to the thermal energy produced in such periods.

C. This account shall also include the costs involved when nuclear fuel is leased.

D. This account shall be debited or credited as appropriate for significant changes in the estimated value of uranium, plutonium, and other by-products contained in account 150.157, Nuclear By-Product Materials, and the amount realized upon the final disposition of the materials. Significant declines in the estimated value of items carried in account 150.157 may be recognized at the time of market price declines by charging this account and crediting account 150.157. When the declining change occurs while the fuel is recorded in account 120.3, Nuclear Fuel Assemblies in Reactor, the effect shall be amortized over the remaining life of the fuel.

518.2 Other Fuel

This account shall include the cost of other fuels, used for ancillary steam facilities, including superheat.

519. Coolants and Water

This account shall include the cost of labor, materials used and expenses incurred for heat transfer materials and water used for steam and cooling purposes.

ITEMS

Labor:
1. Operation of water supply facilities.
2. Handling of coolants and heat transfer materials.

Materials and Expenses:
3. Chemicals.
4. Additions to, or refining of, fluids used in reactor system.
5. Lubricants.
6. Pumping supplies and expenses.
7. Miscellaneous supplies and expenses.
8. Purchased water.

Note: Do not include in this account water for general station use or the initial charge for coolants, heat transfer or moderator fluids, chemicals or other supplies capitalized.

520. Steam Expenses

This account shall include the cost of labor, materials used and expenses incurred in production of steam through nuclear processes, and similar expenses for operation of any auxiliary superheat facilities.

ITEMS

Labor:
1. Supervising steam production.
2. Fuel handling including removal, insertion, disassembly and preparation for cooling operations and shipment.
3. Testing instruments and gauges.
4. Health, safety, monitoring and decontamination activities.
5. Waste disposal.
6. Operating steam boilers and auxiliary steam superheat facilities.

Materials and Expenses:
7. Chemical supplies.
8. Charts, logs, etc.
9. Health, safety, monitoring and decontamination supplies.
10. Boiler inspection fees.
11. Lubricants.

521. Steam from Other Sources

This account shall include the cost of steam purchased or transferred from another department of the utility or from others under a joint facility operating arrangement for use in prime movers devoted to the production of electricity.

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

522. Steam Transferred--Credit

A. This account shall include such portion of the cost of producing steam as is charged to other electric 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 electric 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 172.5, subd. (b).)

523. Electric Expenses

This account shall include the cost of labor, materials used and expenses incurred in operating turbogenerators, steam turbines and their
auxiliary apparatus, switch gear and other electric equipment to the points where electricity leaves for conversion for transmission or distribution.

ITEMS

Labor:
1. Supervising electric production.
2. Operating turbines, engines, generators and exciters.
3. Operating condensers, circulating water systems and other auxiliary apparatus.
4. Operating generator cooling system.
5. Operating lubrication and oil control system, including oil purification.
6. Operating switchboards, switch gear and electric control and protective equipment.
7. Keeping plant log and records and preparing reports on electric plant operations.
8. Testing, checking and adjusting meters, gauges, and other instruments, relays, controls and other equipment in the electric plant.
9. Cleaning electric plant equipment when not incidental to maintenance.
10. Repacking glands and replacing gauge glasses.

Materials and Expenses:
11. Lubricants and control system oils.
12. Generator cooling gases.
13. Log sheets and charts.

524. Miscellaneous Nuclear Power Expenses
This account shall include the cost of labor, materials used and expenses incurred which are not specifically provided for or are not readily assignable to other nuclear generation operation accounts.

ITEMS

Labor:
1. General clerical and stenographic work.
2. Plant security.
3. Building service.
4. Care of grounds, including snow removal, cutting grass, etc.
5. Miscellaneous labor.

Materials and Expenses:
6. General operating supplies, such as tools, gaskets, hose, indicating lamps, record and report forms, etc.
7. First-aid, supplies and safety equipment.
8. Employees' service facilities expenses.
10. Communication service.
11. Miscellaneous office supplies and expenses, printing and stationery.
12. Transportation expenses.
14. Research and development expenses.

525. Rents
This account shall include all rents of property of others used, occupied or operated in connection with nuclear generation. (See operating expense instruction 172.3.)
528. Maintenance Supervision and Engineering
   This account shall include the cost of labor and expenses incurred in the general supervision and direction of maintenance of nuclear generation facilities. Direct field supervision of specific jobs shall be charged to the appropriate maintenance account. (See operating expense instruction 172.1.)

529. 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 321, Structures and Improvements. (See operating expense instruction 172.2.)

530. Maintenance of Reactor Plant Equipment
   This account shall include the cost of labor, materials used and expenses incurred in the maintenance of reactor plant, the book cost of which is includible in account 322, Reactor Plant Equipment. (See operating expense instruction 172.2.)

531. Maintenance of Electric Plant
   This account shall include the cost of labor, materials used and expenses incurred in the maintenance of electric plant, the book cost of which is includible in accounts 323, Turbogenerator Units, and 324, Accessory Electric Equipment. (See operating expense instruction 172.2.)

532. Maintenance of Miscellaneous Nuclear Plant
   This account shall include the cost of labor, materials used and expenses incurred in maintenance of miscellaneous nuclear generating plant, the book cost of which is includible in account 325, Miscellaneous Power Plant Equipment. (See operating expense instruction 172.2.)

Joint Expenses

533.1 Joint Expenses--Debit
   A. This account shall include amounts for the cost of operation and maintenance payable by the electric department to others, or to a coordinate department, for joint facilities used, occupied or operated in connection with nuclear generation. (See operating expense instruction 172.5.)
   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
   Note: Charges for steam produced in joint facilities shall not be included in this account but in account 521, Steam from Other Sources.

533.2 Joint Expenses--Credit
   A. This account shall include such portion of the cost of operating and maintaining joint facilities operated by the electric department in connection with nuclear generation as is charged to others or to a coordinate department. (See operating expense instruction 172.5.)
   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
   Note: Credits for steam transferred, produced in joint facilities, shall not be included in this account but in account 522, Steam Transferred--Credit.
C. Hydraulic Power Generation

Operation

535. 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 hydraulic power generating stations. Direct supervision of specific activities, such as hydraulic operation, generator operation, etc., shall be charged to the appropriate account. (See operating expense instruction 172.1.)

536. Water for Power
This account shall include the cost of water used for hydraulic power generation.

ITEMS
1. Cost of water purchased from others, including water tolls paid reservoir companies.
2. Periodic payments for licenses or permits from any governmental agency for water rights, or payments based on the use of the water.
3. Periodic payments for riparian rights.
4. Periodic payments for headwater benefits or for detriments to others.
5. Cloud seeding.

537. Hydraulic expenses
This account shall include the cost of labor, materials used and expenses incurred in operating hydraulic works, including reservoirs, dams and waterways, and in activities directly relating to the hydroelectric development outside the generating station.

ITEMS
Labor:
1. Supervising hydraulic operation.
2. Removing debris and ice from trash racks, reservoirs and waterways.
3. Patrolling reservoirs and waterways.
4. Operating intakes, spillways, sluiceways, and outlet works.
5. Operating bubbler, heater or other de-icing systems.
6. Ice and log jam work.
7. Operating navigation facilities.
8. Operations relating to conservation of game, fish, forests, etc.
9. Insect control activities.
Materials and Expenses:
10. Insect control materials.
11. Lubricants, packing, and other supplies used in operation of hydraulic equipment.
12. Supplies and expenses in conservation of game, fish, forests, etc.
13. Transportation expenses.

538. Electric Expenses
This account shall include the cost of labor, materials used and expenses incurred in operating prime movers, generators and their auxiliary apparatus, switchgear, and other electric equipment, to the point where electricity leaves for conversion for transmission or distribution.

ITEMS
Labor:
1. Supervising electric production.
2. Operating prime movers, generators and auxiliary equipment.
3. Operating generator cooling system.
4. Operating lubrication and oil control systems*, including oil
purification.
* So in original. "ssystems" should be "system".
5. Operating switchboards, switchgear, and electric control and protection equipment.
6. Keeping plant log and records and preparing reports on plant operations.
7. Testing, checking and adjusting meters, gauges, and other instruments, relays, controls, and other equipment in the plant.
8. Cleaning plant equipment when not incidental to maintenance work.
Materials and Expenses:
10. Lubricants and control system oils.
11. Motor and generator brushes.
539. Miscellaneous Hydraulic Power Generation Expenses
   This account shall include the cost of labor, materials used and expenses incurred which are not specifically provided for or are not readily assignable to other hydraulic generation operation expense accounts.

   ITEMS
   Labor:
   1. General clerical and stenographic work.
   2. Guarding and patrolling plant and yard.
   3. Building service.
   4. Care of grounds including snow removal, cutting grass, etc.
   5. Snow removal from roads and bridges.
   6. Miscellaneous labor.
   Materials and Expenses:
   7. General operating supplies, such as tools, gaskets, packing, waste, hose, indicating lamps, record and report forms, etc.
   8. First-aid supplies and safety equipment.
   9. Employees' service facilities expenses.
   10. Building service supplies.
   11. Communication service.
   12. Office supplies, printing and stationery.
   13. Transportation expenses.
   15. Meals, traveling, and incidental expenses.
   16. Research and development expenses.
540. Rents
   This account shall include all rents of property of others used, occupied or operated in connection with hydraulic power generation, including amounts payable to the United States for the occupancy of public lands and reservations for reservoirs, dams, flumes, forebays, penstocks, power houses, etc., but not including transmission right-of-way. (See operating expense instruction 172.3.)

   Maintenance
541. Maintenance Supervision and Engineering
   This account shall include the cost of labor and expenses incurred in the general supervision and direction of the maintenance of hydraulic power generating stations. Direct field supervision of specific jobs shall be charged to the appropriate maintenance account. (See operating expense instruction 172.1.)
542. Maintenance of Structures
   This account shall include the cost of labor, materials used and
expenses incurred in maintenance of hydraulic structures, the book cost of which is includible in account 331, Structures and Improvements. (See operating expense instruction 172.2.)

543. Maintenance of Reservoirs, Dams and Waterways
This account shall include the cost of labor, materials used and expenses incurred in maintenance of plant includible in account 332, Reservoirs, Dams and Waterways. (See operating expense instruction 172.2.)

544. Maintenance of Electric Plant
This account shall include the cost of labor, materials used and expenses incurred in maintenance of electric plant includible in accounts 333, Water Wheels, Turbines and Generators, and 334, Accessory Electric Equipment. (See operating expense instruction 172.2.)

545. Maintenance of Miscellaneous Hydraulic Plant
This account shall include the cost of labor, materials used and expenses incurred in maintenance of miscellaneous hydraulic plant, the book cost of which is includible in accounts 335, Miscellaneous Power Plant Equipment, and 336, Roads, Railroads and Bridges. (See operating expense instruction 172.2.)

Joint Expenses

545.1 Joint Expenses--Debit
A. This account shall include amounts for the cost of operation and maintenance payable by the electric department to others, or to a coordinate department, for joint facilities used, occupied or operated in connection with hydraulic power generation. (See operating expense instruction 172.5.)
B. Annual charges from others for maintenance, depreciation, interest or return on investment applicable to headwater improvements owned by such others and made under licenses or permits from governmental agencies shall be charged in their entirety to this account.
C. 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

545.2 Joint Expenses--Credit
A. This account shall include such portion of the cost of operation and maintenance expenses applicable to joint facilities operated by the electric department in connection with hydraulic power generation as is charged to others or to a coordinate department. (See operating expense instruction 172.5.)
B. Annual charges against others for their proportion of maintenance expenses applicable to headwater improvements owned by the utility and made under licenses or permits from governmental agencies shall be included in this account. The amount of such annual charges, representing depreciation and interest or return on investment, shall be credited to account 454, Rent from Electric Property.
C. 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

D. Other Power Generation Operation

546. 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 other power generating stations. Direct supervision of specific activities, such as fuel handling, engine and generator operation, etc., shall be charged to the appropriate account. (See operating expense instruction 172.1.)

547. Fuel
This account shall include the cost delivered at the station (see account 150.151, Fuel Stock) of all fuel, such as gas, oil, kerosene, and gasoline used in other power generation.

548. Generation Expenses
This account shall include the cost of labor, materials used and expenses incurred in operating prime movers, generators and electric equipment in other power generating stations, to the points where electricity leaves for conversion for transmission or distribution.

ITEMS

Labor:
1. Supervising other power generation operation.
2. Operating prime movers, generators and auxiliary apparatus and switching and other electric equipment.
3. Keeping plant log and records and preparing reports on plant operations.
4. Testing, checking, cleaning, oiling and adjusting equipment.

Materials and Expenses:
5. Dynamo, motor, and generator brushes.
6. Lubricants and control system oils.
7. Water for cooling engines and generators.

549. Miscellaneous Other Power Generation Expenses
This account shall include the cost of labor, materials used and expenses incurred in the operation of other power generating stations which are not specifically provided for or are not readily assignable to other generation expense accounts.

ITEMS

Labor:
1. General clerical and stenographic work.
2. Guarding and patrolling plant and yard.
3. Building service.
4. Care of grounds, including snow removal, cutting grass, etc.
5. Miscellaneous labor.

Materials and Expenses:
7. First-aid supplies and safety equipment.
8. Communication service.
9. Employees' service facilities expenses.
10. Office supplies, printing and stationery.
11. Transportation expense.
12. Meals, traveling, and incidental expenses.
14. Water for fire protection or general use.
15. Miscellaneous supplies, such as hand tools, drills, saw blades, files, etc.
16. Research and development expenses.

550. Rents
This account shall include all rents of property of others used, occupied or operated in connection with other power generation. (See
operating expense instruction 172.3.)

Maintenance

551. Maintenance Supervision and Engineering
This account shall include the cost of labor and expenses incurred in the general supervision and direction of the maintenance of other power generating stations. Direct field supervision of specific jobs shall be charged to the appropriate maintenance account. (See operating expense instruction 172.1.)

552. Maintenance of Structures
This account shall include the cost of labor, materials used and expenses incurred in maintenance of facilities used in other power generation, the book cost of which is includible in account 341, Structures and Improvements, and account 342, Fuel Holders, Producers and Accessories. (See operating expense instruction 172.2.)

553. Maintenance of Generating and Electric Plant
This account shall include the cost of labor, materials used and expenses incurred in maintenance of plant, the book cost of which is includible in accounts 343, Prime Movers, 344, Generators, and 345, Accessory Electric Equipment. (See operating expense instruction 172.2.)

554. Maintenance of Miscellaneous Other Power Generation Plant
This account shall include the cost of labor, materials used and expenses incurred in maintenance of other power generation plant, the book cost of which is includible in account 346, Miscellaneous Power Plant Equipment. (See operating expense instruction 172.2.)

Joint Expenses

554.1 Joint Expenses--Debit
A. This account shall include amounts for the cost of operation and maintenance payable by the electric department to others, or to a coordinate department, for joint facilities used, occupied or operated in connection with other power generation. (See operating expense instruction 172.5.)

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

554.2 Joint Expenses--Credit
A. This account shall include such portion of the cost of operating and maintaining joint facilities operated by the electric department in connection with other power generation as is charged to others or to a coordinate department. (See operating expense instruction 172.5.)

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

E. Other Power Supply Expenses

555. Purchased Power
A. This account shall include the cost at point of receipt by the utility of electricity purchased for resale. It shall include, also, net settlements for exchange of electricity or power, such as economy energy, off-peak energy for on-peak energy, spinning reserve capacity, etc. In addition, the account shall include the net settlements for transactions under pooling or interconnection agreements wherein there
is a balancing of debits and credits for energy, capacity, etc. Distinct purchases and sales shall not be recorded as exchanges and net amounts only recorded merely because debit and credit amounts are combined in the voucher settlement.

B. The records supporting this account shall show, by months, the demands and demand charges, kilowatt-hours and prices thereof under each purchase contract and the charges and credits under each exchange or power pooling contract.

556. System Control and Load Dispatching
This account shall include the cost of labor and expenses incurred in load dispatching activities for system control. Utilities having an interconnected electric system or operating under a central authority which controls the production and dispatching of electricity may apportion these costs to this account and accounts 561, Load Dispatching (Transmission), and 581, Load Dispatching (Distribution).

ITEMS

Labor:
1. Allocating loads to plants and interconnections with others.
2. Directing switching.
3. Arranging and controlling clearances for construction, maintenance, test and emergency purposes.
4. Controlling system voltages.
5. Recording loadings, water conditions etc.
6. Preparing operating reports and data for billing and budget purposes.
7. Obtaining reports on the weather and special events.

Expenses:
8. Communication service provided for system control purposes.
10. Meals, traveling, and incidental expenses.
11. Obtaining weather and special events reports.

557. Other Expenses
A. This account shall be charged with any production expenses, including expenses incurred directly in connection with the purchase of electricity, which are not specifically provided for in other production expense accounts. Charges to this account shall be supported so that a description of each type of charge will be readily available.

B. Recoveries from insurance companies, under use and occupancy provisions of policies, of amounts in reimbursement of excessive or added production costs for which the insurance company is liable under the terms of the policy shall be credited to this account.

Joint Expenses

558.1 Joint Expenses--Debit
A. This account shall include amounts payable by the electric department to others or to a coordinate department for joint facilities used, occupied or operated in connection with the production of electric energy when it is impracticable to allocate such payments to the joint production expenses--debit accounts under steam power generation, nuclear power generation, hydraulic power generation, or other power generation. (See operating expense instruction 172.5.)

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

558.2 Joint Expenses--Credit
A. This account shall include such portion of the cost of operating and maintaining joint facilities operated by the electric department in connection with the production of electric energy as is charged to others or to a coordinate department when it is impracticable to allocate such cost to the joint production expenses--credit accounts under steam power generation, nuclear power generation, hydraulic power generation, or other power generation. (See operating expense instruction 172.5.)
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. TRANSMISSION EXPENSES

   Operation
560. 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 the transmission system. Direct supervision of specific activities, such as station operation, line operation, etc., shall be charged to the appropriate account. (See operating expense instruction 172.1.)
561. Load Dispatching
This account shall include the cost of labor, materials used and expenses incurred in load dispatching operations pertaining to the transmission of electricity.

ITEMS
Labor:
1. Directing switching.
2. Arranging and controlling clearances for construction, maintenance, test and emergency purposes.
3. Controlling system voltages.
4. Obtaining reports on the weather and special events.
5. Preparing operating reports and data for billing and budget purposes.
Expenses:
6. Communication service provided for system control purposes.
7. System record and report forms.
8. Meals, traveling, and incidental expenses.
9. Obtaining weather and special events reports.

562. Station Expenses
This account shall include the cost of labor, materials used and expenses incurred in operating transmission substations and switching stations. If transmission station equipment is located in or adjacent to a generating station, the expenses applicable to transmission station operations shall nevertheless be charged to this account.

ITEMS
Labor:
1. Supervising station operation.
2. Adjusting station equipment where such adjustment primarily affects performance, such as regulating the flow of cooling water, adjusting current in fields of a machine or changing voltage of regulators, changing station transformer taps.
3. Inspecting, testing and calibrating station equipment for the purpose of checking its performance.
4. Keeping station log and records and preparing reports on station operation.
5. Operating switching and other station equipment.
6. Standing watch, guarding, and patrolling station and station yard.
7. Sweeping, mopping, and tidying station.
8. Care of grounds, including snow removal, cutting grass, etc.

Materials and Expenses:
10. Operating supplies, such as lubricants, commutator brushes, water and rubber goods.
11. Station meter and instrument supplies, such as ink and charts.
12. Station record and report forms.
13. Tool expense.
14. Transportation expenses.
15. Meals, traveling, and incidental expenses.

563. Overhead Line Expenses
564. Underground Line Expenses
A. These accounts shall include the cost of labor, materials used and expenses incurred in the operation of transmission lines.
B. If the expenses are not substantial for both overhead and underground lines, these accounts may be combined.

ITEMS

Labor:
1. Supervising line operation.
2. Inspecting and testing lightning arresters, circuit breakers, switches, and grounds.
3. Load tests of circuits.
4. Routine line patrolling.
5. Routine voltage surveys made to determine the condition or efficiency of transmission system.
6. Transferring loads, switching and reconnecting circuits and equipment for operating purposes. (Switching for construction or maintenance purposes is not includible in this account.)
7. Routine inspection and cleaning of manholes, conduit, network and transformer vaults.
8. Electrolysis surveys.
9. Inspecting and adjusting line-testing equipment, such as voltmeters, ammeters, wattmeters, etc.
10. Regulation and addition of oil or gas in high-voltage cable systems.

Materials and Expenses:
11. Transportation expenses.
12. Meals, traveling, and incidental expenses.
13. Tool expenses.
14. Operating supplies, such as instrument charts, rubber goods, etc.

565. Transmission of Electricity by Others
This account shall include amounts payable to others for the transmission of the utility's electricity over transmission facilities owned by others.

566. Miscellaneous Transmission Expenses
This account shall include the cost of labor, materials used and expenses incurred in transmission map and record work, transmission
office expenses, and other transmission expenses not provided for elsewhere.

ITEMS

Labor:
1. General records of physical characteristics of lines and stations, such as capacities, etc.
2. Ground resistance records.
3. Janitor work at transmission office buildings, including care of grounds, snow removal, cutting grass, etc.
4. Joint pole maps and records.
5. Line load and voltage records.
6. Preparing maps and prints.
7. General clerical and stenographic work.
8. Miscellaneous labor.

Materials and Expenses:
9. Communication service.
10. Building service supplies.
11. Map and record supplies.
12. Transmission office supplies and expenses, printing and stationery.
13. First-aid supplies.
14. Research and development expenses.
567. 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, 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 instruction 172.3 and 172.5.)

Maintenance
568. 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 transmission system. Direct field supervision of specific jobs shall be charged to the appropriate maintenance account. (See operating expense instruction 172.1.)
569. 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 352, Structures and Improvements. (See operating expense instruction 172.2.)
570. Maintenance of Station Equipment
This account shall include the cost of labor, materials used and expenses incurred in maintenance of station equipment, the book cost of which is includible in account 353, Station Equipment. (See operating expense instruction 172.2.)
571. Maintenance of Overhead Lines
This account shall include the cost of labor, materials used and expenses incurred in maintenance of transmission plant, the book cost of which is includible in accounts 354, Towers and Fixtures, 355, Poles and Fixtures, 356, Overhead Conductors and Devices, and 359, Roads and Trails. (See operating expense instruction 172.2.)
1. Work of the following character on poles, towers and fixtures:
   a. Installing or removing additional clamps or strain insulators on guys in place.
   b. Moving line or guy pole in relocation of the same pole or section of line.
   c. Painting poles, towers, crossarms or pole extensions.
   d. Readjusting and changing position of guys or braces.
   e. Realigning and straightening poles, crossarms, braces, and other pole fixtures.
   f. Reconditioning reclaimed pole fixtures.
   g. Relocating crossarms, racks, brackets, and other fixtures on poles.
   h. Repairing or realigning pins, racks, or brackets.
   i. Repairing pole supported platform.
   j. Repairs by others to jointly owned poles.
   k. Shaving, cutting rot, or treating poles or crossarms in use or salvaged for reuse.
   l. Stubbing poles already in service.
   m. Supporting fixtures and conductors and transferring them to new poles during pole replacements.
   n. Maintenance of pole signs, stencils, tags, etc.
   2. Work of the following character on overhead conductors and devices:
   a. Overhauling and repairing line cutouts, line switches, line breakers, etc.
   b. Cleaning insulators and bushings.
   c. Refusing cutouts.
   d. Repairing line oil circuit breakers and associated relays and control wiring.
   e. Repairing grounds.
   f. Resagging, retying, or rearranging position or spacing of conductors.
   g. Standing by phones, going to calls, cutting faulty lines clear, or similar activities at times of emergencies.
   h. Sampling, testing, changing, purifying, and replenishing insulating oil.
   i. Repairing line testing equipment.
   j. Transferring loads, switching and reconnecting circuits and equipment for maintenance purposes.
   k. Trimming trees and clearing brush.
   l. Chemical treatment of right-of-way areas when occurring subsequent to construction of line.
   3. Work of the following character on roads and trails:
   a. Repairing roadway, bridges, etc.
   b. Trimming trees and brush to maintain previous roadway clearance.
   c. Snow removal from roads and trails.
   d. Maintenance work on publicly owned roads and trails when done by utility at its expense.

572. Maintenance of Underground Lines
This account shall include the cost of labor, materials used and expenses incurred in maintenance of transmission plant, the book cost of which is includible in accounts 357, Underground Conduit, and 358, Underground Conductors and Devices. (See operating expense instruction 172.2.)

ITEMS
1. Work of the following character on underground conduit:
a. Cleaning ducts, manholes, and sewer connections.
b. Minor alterations of handholes, manholes, or vaults.
c. Refastening, repairing, or moving racks, ladders, or hangers in manholes, or vaults.
d. Plugging and shelving or replugging ducts.
e. Repairs to sewers and drains, walls and floors, rings and covers.
2. Work of the following character on underground conductors and devices:
   a. Repairing oil circuit breakers, switches, cutouts, and control wiring.
   b. Repairing grounds.
   c. Retraining and reconnecting cables in manhole, including transfer of cables from one duct to another.
   d. Repairing conductors and splices.
   e. Repairing or moving junction boxes and potheads.
   f. Refireproofing of cables and repairing supports.
   g. Repairing electrolysis preventive devices for cables.
   h. Repairing cable bonding systems.
   i. Sampling, testing, changing, purifying and replenishing insulating oil.
   j. Transferring loads, switching and reconnecting circuits and equipment for maintenance purposes.
   k. Repairing line testing equipment.
   l. Repairs to oil or gas equipment in high-voltage cable system and replacement of oil or gas.
573. Maintenance of Miscellaneous Transmission Plant
This account shall include the cost of labor, materials used and expenses incurred in maintenance of owned or leased plant which is assignable to transmission operations and is not provided for elsewhere. (See operating expense instruction 172.2.)

574.1 Joint Expenses--Debit
A. This account shall include amounts for the cost of operation and maintenance payable by the electric department to others, or to a coordinate department, for joint facilities used, occupied or operated in connection with the transmission of electric energy. (See operating expense instruction 172.5.)
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

574.2 Joint Expenses--Credit
A. This account shall include such portion of the cost of operating and maintaining joint facilities operated by the electric department in connection with the transmission of electric energy as is charged to others or to a coordinate department. (See operating expense instruction 172.5.)
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

3. DISTRIBUTION EXPENSES
Operation

580. 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 station operation, line operation, meter department operation, etc., shall be charged to the appropriate account. (See operating expense instruction 172.1.)

581. Load Dispatching
This account (the keeping of which is optional with the utility) shall include the cost of labor, materials used and expenses incurred in load dispatching operations pertaining to the distribution of electricity.

ITEMS
Labor:
1. Directing switching.
2. Arranging and controlling clearances for construction, maintenance, test and emergency purposes.
3. Controlling system voltages.
4. Preparing operating reports.
5. Obtaining reports on the weather and special events.
Expenses:
6. Communication service provided for system control purposes.
7. System record and report forms.
8. Meals, traveling, and incidental expenses.
Note: If this account is not kept by the utility, all load dispatching labor and expenses shall be included in transmission expenses, account 561, Load Dispatching.

582. Station Expenses
This account shall include the cost of labor, materials used and expenses incurred in the operation of distribution substations.

ITEMS
Labor:
1. Supervising station operation.
2. Adjusting station equipment where such adjustment primarily affects performance, such as regulating the flow of cooling water, adjusting current in fields of a machine, changing voltage of regulators, or changing station transformer taps.
3. Keeping station log and records and preparing reports on station operation.
4. Inspecting, testing, and calibrating station equipment for the purpose of checking its performance.
5. Operating switching and other station equipment.
6. Standing watch, guarding and patrolling station and station yard.
7. Sweeping, mopping, and tidying station.
8. Care of grounds, including snow removal, cutting grass, etc.
Materials and Expenses:
10. Operating supplies, such as lubricants, commutator brushes, water, and rubber goods.
11. Station meter and instrument supplies, such as ink and charts.
12. Station record and report forms.
13. Tool expense.
14. Transportation expense.
15. Meals, traveling, and incidental expenses.
Note: If the utility owns storage battery equipment used for supplying
electricity to customers in periods of emergency, the cost of operating labor and of supplies, such as acid, gloves, hydrometers, thermometers, soda, automatic cell fillers, acid proof shoes, etc., shall be included in this account. If significant in amount, a separate subdivision shall be maintained for such expenses.

583. Overhead Line Expenses
584. Underground Line Expenses
These accounts shall include, respectively, the cost of labor, materials used and expenses incurred in the operation of overhead and underground distribution lines.

ITEMS

Labor:
1. Supervising line operation.
2. Changing line transformer taps.
3. Inspecting and testing lightning arresters, line circuit breakers, switches, and grounds.
4. Inspecting and testing line transformers for the purpose of determining load, temperature, or operating performance.
5. Patrolling lines.
6. Load tests and voltage surveys of feeders, circuits, and line transformers.
7. Removing line transformers and voltage regulators with or without replacement.
8. Installing line transformers or voltage regulators with or without change in capacity provided that the cost of first installation of these items is included in account 368, Line Transformers.
9. Voltage surveys, either routine or upon request of customers, including voltage tests at customer's main switch.
10. Transferring loads, switching and reconnecting circuits and equipment for operation purposes.
11. Electrolysis surveys.
12. Inspecting and adjusting line testing equipment.

Materials and Expenses:
13. Tool expense.
14. Transportation expense.
15. Meals, traveling, and incidental expense.
16. Operating supplies, such as instrument charts, rubber goods, etc.

585. Street Lighting and Signal System Expenses
This account shall include the cost of labor, materials used and expenses incurred in: (1) the operation of street lighting and signal system plant which is owned or leased by the utility; and (2) the operation and maintenance of such plant owned by customers where such work is done regularly as a part of the street lighting and signal system service.

ITEMS

Labor:
1. Supervising street lighting and signal systems operation.
2. Replacing lamps and incidental cleaning of glassware and fixtures in connection therewith.
3. Routine patrolling for lamp outages, extraneous nuisances or encroachments, etc.
4. Testing lines and equipment including voltage and current measurement.
5. Winding and inspection of time switch and other controls.
Materials and Expenses:
6. Street lamp renewals.
7. Transportation and tool expense.
8. Meals, traveling, and incidental expenses.
586. Meter Expenses
This account shall include the cost of labor, materials used and expenses incurred in the operation of customer meters and associated equipment.

ITEMS
Labor:
1. Supervising meter operation.
2. Clerical work on meter history and associated equipment record cards, test cards and reports.
3. Disconnecting and reconnecting, removing and reinstalling, sealing and unsealing meters and other metering equipment in connection with initiating or terminating services including the cost of obtaining meter readings, if incidental to such operation.
4. Consolidating meter installations due to elimination of separate meters for different rates of service.
5. Changing or relocating meters, instrument transformers, time switches, and other metering equipment.
6. Resetting time controls, checking operation of demand meters and other metering equipment, when done as an independent operation.
7. Inspecting and adjusting meter testing equipment.
8. Inspecting and testing meters, instrument transformers, time switches, and other metering equipment on premises or in shops excluding inspecting and testing incidental to maintenance.

Materials and Expenses:
9. Meter seals and miscellaneous meter supplies.
10. Transportation expenses.
11. Meals, traveling, and incidental expenses.
12. Tool expenses.

Note: The cost of the first setting and testing of a meter is chargeable to utility plant account 370, Meters.

587. Customer Installations Expenses
This account shall include the cost of labor, materials used and expenses incurred in work on customer installations in inspecting premises and in rendering services to customers of the nature of those indicated by the list of items hereunder.

ITEMS
Labor:
1. Supervising customer installations work.
2. Inspecting premises, including check of wiring for code compliance.
3. Investigating, locating, and clearing grounds on customers' wiring.
4. Investigating service complaints, including load tests of motors and lighting and power circuits on customers' premises; field investigations of complaints on bills or of voltage.
5. Installing, removing, renewing, and changing lamps and fuses.
6. Radio, television and similar interference work including erection of new aerials on customers' premises and patrolling of lines, testing of lightning arresters, inspection of pole hardware, etc., and examination on or off premises of customers' appliances, wiring, or equipment to locate cause of interference.
7. Installing, connecting, reinstalling or removing leased property on
customers' premises.
8. Testing, adjusting, and repairing customers' fixtures and appliances in shop or on premises.
9. Cost of changing customers' equipment due to changes in service characteristics.
10. Investigation of current diversion including setting and removal of check meters and securing special readings thereon; special calls by employees in connection with discovery and settlement of current diversion; changes in customer wiring and any other labor cost identifiable as caused by current diversion.

Materials and Expenses:
11. Lamp and fuse renewals.
12. Materials used in servicing customers' fixtures, appliances and equipment.
13. Power, light, heat, telephone, and other expenses of appliance repair department.
14. Tool expense.
15. Transportation expense, including pickup and delivery charges.
17. Rewards paid for discovery of current diversion.

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 451, Miscellaneous Service Revenues.

Note B: Do not include in this account expenses incurred in connection with merchandising, jobbing and contract work.

588. Miscellaneous Distribution Expenses
This account shall include the cost of labor, materials used and expenses incurred in distribution system operation not provided for elsewhere.

ITEMS

Labor:
1. General records of physical characteristics of lines and substations, such as capacities, etc.
2. Ground resistance records.
3. Joint pole maps and records.
4. Distribution system voltage and load records.
5. Preparing maps and prints.
6. Service interruption and trouble records.
7. General clerical and stenographic work except that chargeable to account 586, Meter Expenses.
8. Operating records covering poles, transformers, manholes, cables, and other distribution facilities. Exclude meter records chargeable to account 586, Meter Expenses, and station records chargeable to account 582, Station Expenses, and stores records chargeable to account 150.163, Stores Expenses Undistributed.
9. Janitor work at distribution office buildings including snow removal, cutting grass, etc.

Materials and Expenses:
10. Communication service.
11. Building service expenses.
12. Miscellaneous office supplies and expenses, printing, and stationery, maps and records and first-aid supplies.
13. Research and development expenses.
589. 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 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 instruction 172.3 and 172.5.)

Maintenance

590. 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 distribution system. Direct field supervision of specific jobs shall be charged to the appropriate maintenance account. (See operating expense instruction 172.1.)

591. Maintenance of Structures
This account shall include the cost of labor, materials used and expenses incurred in maintenance of structures, the book cost of which is includible in account 361, Structures and Improvements. (See operating expense instruction 172.2.)

592. Maintenance of Station Equipment
This account shall include the cost of labor, materials used and expenses incurred in maintenance of distribution plant, the book cost of which is includible in accounts 362, Station Equipment, and 363, Storage Battery Equipment. (See operating expense instruction 172.2.)

593. Maintenance of Overhead Lines
This account shall include the cost of labor, materials used and expenses incurred in the maintenance of overhead distribution line facilities, the book cost of which is includible in accounts 364, Poles, Towers and Fixtures, 365, Overhead Conductors and Devices, and 369, Services. (See operating expense instruction 172.2.)

ITEMS

1. Work of the following character on poles, towers, and fixtures:
   a. Installing additional clamps or removing clamps or strain insulators on guys in place.
   b. Moving line or guy pole in relocation of pole or section of line.
   c. Painting poles, towers, crossarms, or pole extensions.
   d. Readjusting and changing position of guys or braces.
   e. Realigning and straightening poles, crossarms, braces, pins, racks, brackets, and other pole fixtures.
   f. Reconditioning reclaimed pole fixtures.
   g. Relocating crossarms, racks, brackets, and other fixtures on poles.
   h. Repairing pole supported platform.
   i. Repairs by others to jointly owned poles.
   j. Shaving, cutting rot, or treating poles or crossarms in use or salvaged for reuse.
   k. Stubbing poles already in service.
   1. Supporting conductors, transformers, and other fixtures and transferring them to new poles during pole replacement.
   m. Maintaining pole signs, stencils, tags, etc.

2. Work of the following character on overhead conductors and devices:
   a. Overhauling and repairing line cutouts, line switches, line breakers, and capacitor installations.
   b. Cleaning insulators and bushings.
c. Refusing line cutouts.
d. Repairing line oil circuit breakers and associated relays and control wiring.
e. Repairing grounds.
f. Resagging, retying, or rearranging position or spacing of conductors.
g. Standing by phones, going to calls, cutting faulty lines clear, or similar activities at times of emergency.
h. Sampling, testing, changing, purifying, and replenishing insulating oil.
i. Transferring loads, switching, and reconnecting circuits and equipment for maintenance purposes.
j. Repairing line testing equipment.
k. Trimming trees and clearing brush.
l. Chemical treatment of right-of-way area when occurring subsequent to construction of line.

3. Work of the following character on overhead services:
a. Moving position of service either on pole or on customers' premises.
b. Pulling slack in service wire.
c. Retying service wire.
d. Refastening or tightening service bracket.

594. Maintenance of Underground Lines

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of underground distribution line facilities, the book cost of which is includible in accounts 366, Underground Conduit, 367, Underground Conductors and Devices, and 369, Services. (See operating expense instruction 172.2.)

ITEMS

1. Work of the following character on underground conduit:
a. Cleaning ducts, manholes, and sewer connections.
b. Moving or changing position of conduit or pipe.
c. Minor alterations of handholes, manholes, or vaults.
d. Refastening, repairing, or moving racks, ladders, or hangers in manholes or vaults.
e. Plugging and shelving ducts.
f. Repairs to sewers, drains, walls, and floors, rings and covers.

2. Work of the following character on underground conductors and devices:
a. Repairing circuit breakers, switches, cutouts, network protectors, and associated relays and control wiring.
b. Repairing grounds.
c. Retraining and reconnecting cables in manholes including transfer of cables from one duct to another.
d. Repairing conductors and splices.
e. Repairing or moving junction boxes and potheads.
f. Refireproofing cables and repairing supports.
g. Repairing electrolysis preventive devices for cables.
h. Repairing cable bonding systems.
i. Sampling, testing, changing, purifying, and replenishing insulating oil.
j. Transferring loads, switching and reconnecting circuits and equipment for maintenance purposes.
k. Repairing line testing equipment for maintenance purposes.
1. Repairing oil or gas equipment in high voltage cable systems and replacement of oil or gas.

3. Work of the following character on underground services:
   a. Cleaning ducts.
   b. Repairing any underground service plant.

595. Maintenance of Line Transformers

This account shall include the cost of labor, materials used and expenses incurred in maintenance of distribution line transformers, the book cost of which is includible in account 368, Line Transformers. (See operating expense instruction 172.2.)

596. Maintenance of Street Lighting and Signal Systems

This account shall include the cost of labor, materials used and expenses incurred in maintenance of plant, the book cost of which is includible in account 373, Street Lighting and Signal Systems. (See operating expense instruction 172.2.)

597. Maintenance of Meters

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of meters and meter testing equipment, the book cost of which is includible in accounts 370, Meters, and 395, Laboratory Equipment, respectively. (See operating expense instruction 172.2.)

598. Maintenance of Miscellaneous Distribution Plant

A. This account shall include the cost of labor, materials used and expenses incurred in maintenance of plant, the book cost of which is includible in account 371, Installations on Customers' Premises, and any other plant the maintenance of which is assignable to the distribution function and is not provided for elsewhere. (See operating expense instruction 172.2.)

B. This account shall be subdivided so as to show separately the cost of maintenance (when the cost is borne by the utility) of electric property leased to customers, the book cost of which is included in account 372, Leased Property on Customers' Premises.

Joint Expenses

599.1 Joint Expenses--Debit

A. This account shall include amounts for the cost of operation and maintenance payable by the electric department to others, or to a coordinate department, for joint facilities used, occupied or operated in connection with the distribution of electric energy. (See operating expense instruction 172.5.)

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

599.2 Joint Expenses--Credit

A. This account shall include such portion of the cost of operating and maintaining joint facilities operated by the electric department in connection with the distribution of electric energy as is charged to others or to a coordinate department. (See operating expense instruction 172.5.)

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
4. 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 172.1.)

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. Reading meters, including demand meters, and obtaining load information for billing purposes. Exclude and charge to account 586, Meter 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 disconnecting or reconnecting meters.
5. Computing consumption from meter reader's book or from reports by mail when done by employees engaged in reading meters.
6. Collecting from prepayment meters when incidental to meter reading.
7. Maintaining record of customers' keys.
8. Computing estimated or average consumption when performed by employees engaged in reading meters.

Materials and Expenses:
10. Demand charts, meter books and binders and forms for recording readings, but not the cost of preparation.
11. Postage and supplies used in obtaining meter readings by mail.
12. 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 deposits, 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.
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 requests 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 586, Meter 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 172.3 and 172.5.)

5. 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 172.1.)

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 electric 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, lighting and safety results with respect to existing electric equipment.
4. Demonstrations, exhibits, lectures and other programs designed to instruct customers in the economical or efficient use of electric 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: Do not include in this account expenses that are already provided for in accounts 587, 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 electric service to protect health and safety, to promote environmental protection, to utilize their electric equipment safely and economically, or to conserve electric energy. Include also in this account advertising activities relating to actions by the electric 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 electric 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 materials 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 advertising 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 electric service.
18. Appeals for conservation of power with suggestions of measures the customer may take.

Note: Exclude from this 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.
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 172.3 and 172.5)

6. 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 172.1)

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 of 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 purpose is the retention of business or the promotion of new business.

Materials and Expenses:
8. Cooperative promotions with appliance dealers, builders, and electrical 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 electric utility and included in this account, shall be determined in accordance with the text of his account as set forth herein.
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.
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 Merchandising, 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 purpose 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 Merchandising, Jobbing and Contract Work on the basis of space, time, or other proportional factors.

Note C: A separate subdivision of this account shall be maintained to record costs 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.

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 promotion organizations for promotional, demonstrating, and sales promotional activities except merchandising. (See operating expenses instructions 172.3 and 172.5)

Note: Rent expense in connection with merchandising is includible in account 416, Costs and Expenses of Merchandising, Jobbing and Contract Work.

7. 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.


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 electric plant instruction 168.4.)

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) Electric plant leased to others, to account 413, Expenses of Electric 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 and 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 death 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.
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 here from 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. Employees 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 166.16.)
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 employees in cash or its equivalent subject to their free disposition. To the extent that the securities thus purchased have an actual market value, the amounts paid for them may be carried meanwhile in account 128, Other Special Funds; otherwise such amounts shall be charged to account 426, Miscellaneous Income Deductions. (See general instruction 166.7(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 the cost of the administration of the welfare and pension department which is applicable to amounts transferred 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 electric property, which are chargeable to the electric plant accounts. Costs incurred in connection with property purchases shall be accounted for as provided in electric plant instruction section 168.5. (See also account 183.)

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 electric 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 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 electric utility and included in this account shall be determined in accordance with the text of this account as set forth herein.

ITEMS

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 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 and direct mail advertising.
11. Printing of booklets, dodgers, bulletins, etc.
12. Supplies and expenses in preparing advertising materials.
13. Office supplies and expenses.

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 condition of the area or community it serves.
18. Advertising activities to inform the public of the utility's role of good citizenship in the area or 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.

ITEMS

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.
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 electric 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 172.3 and 172.5 and account 931.2.)

931.2 Expenses of Data Processing Equipment
This account shall include expenses properly includible in electric 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 172.3 and 172.5 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 172.2.)
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 Expense--Debit
A. This account shall include amounts for the cost of operation and maintenance payable by the electric 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 172.5.)
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 electric department in connection with its administrative and general functions as is chargeable to others, or to a coordinate department. (See operating expense instruction 172.5.)
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 from coordinate departments

SUBCHAPTER F
ARTICLE 2
Classes C and D

PART 180 General Provisions
181 Instructions--General
182 Instructions--Electrical Plant Accounts
183 Instructions--Operating Revenue Accounts

GENERAL PROVISIONS
(Statutory authority: Public Service Law, § 66(4))

Sec. 180.0 Order authorizing uniform system of accounts for classes C and D

180.1 Definitions

Section 180.0 Order authorizing uniform system of accounts for classes C and D.

(a) The Uniform System of Accounts for Electric Corporations (Classes C and D) is hereby prescribed for every electric corporation (as that term is defined in the Public Service Law) which has annual operating revenues from electric operations in excess of $25,000 but not exceeding $1,000,000, and for every lessor and inchoate and dormant electric corporation subject to the jurisdiction of this commission, and that every such electric 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 electric 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 electric 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 electric corporation shall prepare and file in triplicate with the commission not later than six months after the effective date of this uniform system of accounts, summary statements showing:

(1) the closing balance of each balance sheet account carried on the books directly preceding the effective date of this system of accounts prescribed herein, the title of each account under this system of accounts to which any portion thereof was transferred, and the amount so transferred, and

(2) the opening balance of each account under this system of accounts,
the title of each account from which any portion thereof was transferred, and the amount so transferred.

Reserves existing at the effective date of this system of accounts accumulated to provide for losses upon retirement or withdrawal of property from service, depreciation, amortization or replacement of fixed capital or operating property shall be transferred to the accounts prescribed herein for depreciation and amortization reserves.

(e) In prescribing this system of accounts, the commission does not commit itself to the approval or acceptance of any item set out in any account, for the purpose of fixing rates or in determining other matters before the commission.

180.1 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, whether such power is exercised through one or more intermediary companies, or alone, or in conjunction with, or pursuant to an agreement, and whether such power is established through a majority or minority ownership or voting of securities, common directors, officers, or stockholders, voting trusts, holding trusts, associated companies, contract, or any other direct or indirect means.

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

(5) Company. (See par. (10) below.)

(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, electric plant instruction ñ 182.1.)

(7) Electric 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 electric 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 electric corporation. (See Public Service Law.)
181.3 Accounting period
181.4 Submission of questions
181.5 Accounting to be on accrual basis
181.6 Interpretation of lists of items
181.7 Transactions with associated companies
181.8 Depreciation accounting
181.9 Distribution of pay and expenses of employees
181.10 Accounting for other departments
181.11 Allocation of costs between electric plant and operating expenses to be made currently
181.12 Employee pensions and benefits

Section 181.1 Classification of utilities.

(a) For the purpose of applying the system of accounts prescribed herein, utilities are divided into two classes as follows:

Class C: Utilities having annual electric operating revenues of more than $150,000 but not more than $1,000,000. Such utilities shall keep the accounts prescribed herein which are applicable to their operations.

Class D: Utilities having annual electric operating revenues of more than $25,000 but not more than $150,000. Such utilities shall keep all the accounts prescribed herein which are applicable to their operations, except those accounts in which the letter D does not appear in the prefix.

(b) The class to which any utility belongs shall be determined by the average of its annual electric operating revenues for the three years next preceding the effective date of this system of accounts. If the average of its electric operating revenues for the three years ended December 31 of any year following the effective date of this system of accounts is greater than the maximum specified for the class within which the utility has theretofore been included, such utility shall for the succeeding year keep the accounts prescribed for such higher class.

(c) Any utility, which because of its revenues falls within a given class, may, at its option, adopt the system of accounts prescribed for a higher class. Notice of such action shall be promptly filed with the commission.

Section 181.2 Records.

(a) Each utility shall so keep its books of account, and all other books, records, and memoranda which support in any way the entries in such books of account, as to be able to furnish readily full information as to any item included in any account. Each entry shall be supported by such detailed information as will permit a ready identification, analysis, and verification of all the facts relevant thereto.

(b) The books and records referred to herein include not only accounting records in a limited technical sense, but all other records such as minute books, stock books, reports, correspondence, memoranda, engineering records, calculations, drawings, etc., which may be useful in developing the history of or facts regarding any transaction.

(c) Except as authorized by this commission, all operating, accounting or financial papers, records, books, invoices, stubs, maps, or documents or any papers or records which support entries to any of the accounts or which are necessary for an analysis shall be retained permanently. All such records shall be accessible, at all times, to the authorized representatives of the commission at a location within the State of New York.
York.

(d) Subdivisions of any account in the system of accounts prescribed herein and clearing, temporary, or experimental accounts may be kept, provided that such subdivisions or additional accounts do not impair the integrity of the prescribed accounts. The titles of all subdivisions or subaccounts shall refer by number and title to the account or accounts of which they are subdivisions.

(e) All charges to the accounts prescribed in this system for electric plant, income, operating revenues and operating expenses shall be just and reasonable and any payments by the utility in excess of just and reasonable charges shall be included in account 1538, Miscellaneous Income Deductions.

(f) The numbers prefixed to account titles are to be considered as part of the titles. Each utility may, however, adopt a different system of account numbers provided that the numbers herein prescribed shall appear in the descriptive headings of the ledger accounts. When the same account number is used in systems of accounts prescribed for different classes of operations conducted by one utility, the initial letters E, G, O, R, S, and W may be prefixed to identify the account with electric, gas, omnibus, rail line, steam heating, or water, respectively. Accounts for common utility plant and operations shall be designated by the word "Common."

181.3 Accounting period. Each utility in Class C shall keep its books on a monthly basis, so that all transactions applicable thereto, as nearly as may be ascertained, shall be entered monthly in the books of the utility. Each utility in Class D shall keep its books on either a monthly or quarterly basis; when the quarterly basis is used provisions contained herein relative to monthly entries shall be regarded as calling for quarterly entries. A trial balance shall be taken after the monthly or quarterly postings have been made, and each utility shall close its books at the end of each calendar year.

181.4 Submission of questions.

To maintain uniformity of accounting, utilities shall submit questions of doubtful interpretation to the commission for consideration and decision. Utilities shall also ask for instructions, if occasion arises, regarding the accounting for such transactions as spreading over a number of months relatively large income or expense items which if included in the accounts for a single month would seriously distort the accounts; the disposition of items which relate to transactions which occurred prior to the current calendar year but which were not recorded in the books of account in the prior year and which are relatively so large that inclusion in the accounts for a single year would seriously distort the accounts; and expenditures for replacement of units of property leased from others. Ordinary delayed items shall be charged or credited to the same accounts which would have been charged or credited if the items had not been delayed.

181.5 Accounting to be on accrual basis. (a) The utility is required to keep its accounts on the accrual basis. This requires the inclusion in its accounts on an estimated basis of all known transactions of appreciable amount which affect the accounts, even though bills covering such transactions have not been received or rendered. When the bills are
received or rendered, appropriate adjustments shall be made.

(b) Also when payments are made for items such as insurance, rents, taxes, or interest, the amount applicable to future periods shall be charged to account 1132, Prepayments, and spread over the periods to which applicable by credits to account 1132, Prepayments, and charges to the accounts appropriate for the expenditure.

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

181.7 Transactions with associated companies. (a) Each utility shall so keep its accounts and records as to be able to furnish accurately and expeditiously statements of all transactions with associated companies, showing the general nature of the transactions, the amounts involved therein and the amounts included in each account prescribed herein with respect to such transactions.

(b) Dividends, rebates, or earnings from associated companies or mutual service companies representing refunds of the excess charges made by such companies over the cost to them, shall be cleared through account 1901, Charges by Associated Companies--Clearing, and shall be credited so far as practicable to the same accounts to which the corresponding charges were made, including proper distinction between construction and operating expenses. Credits applicable to operating expenses which it is impracticable to allocate among the accounts to which the corresponding charges have been made, shall be to account 1806, Duplicate Charges--Credit.

181.8 Depreciation accounting. (a) Depreciation, as applied to electric plant, means the net loss in service value not restored by current maintenance, incurred in connection with the consumption or prospective retirement of electric plant in the course of service from causes which are known to be in current operation and against which the utility is not protected by insurance. Among the causes to be given consideration are wear and tear, decay, action of the elements, inadequacy, obsolescence, changes in the art, changes in demand, and requirements of public authorities.

(b) Each utility shall record each month (see also general instruction ð 181.3, above) the estimated amount of depreciation on electric plant accrued during that month, by crediting the appropriate subdivision of account 1250, Reserve for Depreciation of Utility Plant, and charging the accounts for the depreciation expense as follows:

<table>
<thead>
<tr>
<th>Account in Which Electric Plant is Included</th>
<th>Subdivision of Account to be Credited</th>
<th>Account to be Charged</th>
</tr>
</thead>
<tbody>
<tr>
<td>1101 Electric Plant in Service</td>
<td>1250.1 Reserve for Depreciation of Electric Plant in Service</td>
<td>1503 Depreciation (See notes hereunder.)</td>
</tr>
</tbody>
</table>
Note A: To the extent that any electric property is used in construction, the depreciation thereon shall be charged to account 1103, Construction Work in Progress; if clearing accounts are used, depreciation of plant (except structures) the maintenance and operation of which are charged to clearing accounts, shall be charged to such clearing accounts.

Note B: The accounting for depreciation of utility plant in other departments carried in account 1108, Other Utility Plant (ô 190.1), which are subject to regulation by the commission shall be in accordance with the effective system of accounts applicable to such operations.

Note C: Depreciation accruals on Common plant (see note B under Utility Plant) shall be currently distributed on an equitable basis to the departments making use thereof; the reserve applicable to common plant shall be carried by Class C utilities in subdivisions of account 1250, Reserve for Depreciation of Utility Plant, applicable to the plant account wherein the common plant is carried.

Note D: See also account 1250, Reserve for Depreciation of Utility Plant and electric plant instruction ô 182.2.

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181.9 Distribution of pay and expenses of employees. (a) The charges to electric plant, operating expense and other accounts for services and expenses of employees engaged in activities chargeable to various accounts, such as construction and operations (or in more than one type of electric operation, such as production and distribution) shall be based upon the actual time engaged in the respective classes of work, or, in case that method is impracticable, upon the basis of a study of the time actually engaged during a representative period.

(b) The pay and expenses of general officers shall be charged to the actual work on which they are engaged, to the particular operations over which they have direct supervision, or, if their jurisdiction is over the entire electric operation, to the appropriate accounts provided in the Administrative and General group in operating expenses.

(c) Except as otherwise specifically provided in this system of accounts or by order of the commission, no amounts for salaries or wages shall be included in charges to electric plant, cost of removal, or electric operating expenses, except employees' welfare and pension expenses includible in account 1800, Other General Expenses, which are not paid to employees affected subject to their free disposition. Payroll deductions made under a statute or order of a court; or for such purposes as group insurance, purchase of appliances or homes, etc., authorized by written order of the employee without coercion of any kind, may be included.

SO DOC 16A-181.10

181.10 Accounting for other departments. This system of accounts is
designed for use by electric utilities. If the utility, in addition to its electric operations, operates other departments, such as gas or water, it shall keep such accounts for the other departments as may be prescribed by this commission, and in the absence of prescribed accounts, it shall keep such accounts as are proper or necessary to reflect the results of operating each such other department. It is not intended that proprietary and similar accounts which apply to the utility as a whole shall be departmentalized. (See also general instruction, § 181.2, subd. (f).)
(3) the amount accumulated in the pension fund as provision for future pension payments; and

(4) at each year end the amount by which pension commitments under the plan as then in effect, even though subject to future amendment or termination, computed in relation to employee service to that date, (generally the "actuarial liability") exceed the amount in the pension fund.

Sec. 182.1 Electric plant to be recorded at original cost.

(a) All amounts included in subaccounts 1301-1390 of accounts 1101 to 1104 for electric plant (except as otherwise provided in account 1302, Franchises and Consents shall be the original cost (see § 180.1, subd. (a) (9)) of such electric plant. (See also paragraphs B and C of account 1106.)

(b) When the term cost is used in the detailed electric plant accounts (1301-1390), it shall mean the original cost unless otherwise specified and shall include not only the materials, supplies, labor, services and other items consumed or employed in the construction and installation of electric plant, but also the cost of preliminary studies, plans, surveys, engineering, supervision and general expenses, which contribute directly and immediately to electric plant without duplication of such costs.

(c) When the consideration given for property is other than cash, the value of such consideration shall be determined on a cash basis. In the entry recording such transaction the actual consideration shall be described with sufficient particularity to identify it. The utility shall be prepared to furnish the commission the particulars of its determination of the cash value of the consideration, if other than cash.

(d) When property is purchased under a plan involving deferred payments, no charge shall be made to the electric plant accounts for interest, insurance, or other expenditures occasioned solely by such form of payment.

(e) Electric plant contributed to the utility or constructed by it from contributions to it of cash or its equivalent shall be charged to the electric plant accounts at cost (see § 180.1, subd. (a) (6)) to the utility (i.e., original cost less the portion thereof contributed by or on behalf of customers). Records shall be kept so that the utility can readily furnish information as to the source, purpose, and amount of each contribution, the property to which each contribution relates, and the conditions, if any, upon which each contribution was made.
Note A: Amounts received for construction which are ultimately to be refunded, wholly or in part, shall be credited to account 1241, Customer Advances for Construction. When the amount to be refunded has been finally determined, the balance, if any, remaining in account 1241 shall be debited thereto and credited to the electric plant accounts to which the cost of the property was charged.

\[\text{NYCRR 182.2 Additions and retirements of electric plant.}\]

(a) For the purpose of avoiding undue refinement in accounting for additions to and retirements and replacements of electric plant, all property shall be considered as consisting of (1) units of property or retirement units and (2) minor items. Units of property means those items of electric plant which are sufficiently distinct or important so that when they are retired with or without being replaced by other units of the same type or use, they are accounted for by crediting the amount at which they are carried on the books to the electric plant account in which included. All other items are to be considered as minor items. These retirement units should not be confused with continuing property record units filed by Class C utilities; the latter are units for which the cost will be shown separately in the continuing property records. Whenever units of property are mentioned in this system of accounts, the terms refer to retirement units and not to continuing property record units. Each utility may adopt its own list of units of property for the purpose of this instruction until such time as the commission shall prescribe a list of units.

(b) Units of property. (1) When a unit of property is added to electric plant, the cost thereof shall be added to the appropriate electric plant account.

(2) When a unit of property is retired from electric plant (i.e., is removed, sold, abandoned, destroyed or otherwise ceases to be used or useful in electric service), whether or not replaced by another unit of the same type or use, the amount at which it is carried on the books shall be credited to the electric plant account in which it is included (determined in the manner set forth in subdivision (d), below) and charged to the depreciation reserve provided for such property.

(c) Minor items of property. (1) When a minor item of property which does not replace a similar item is added to electric plant, the cost thereof shall be charged to the appropriate maintenance account and no entry shall be made in the electric plant or depreciation reserve accounts.

(2) When a minor item is retired and replaced independently of the unit of property of which it is a part, the cost of replacement shall be charged to the appropriate maintenance account and no entry shall be made in the electric plant or depreciation reserve accounts. The removal and replacement of poles shall be handled as additions and retirements of property and not as maintenance.

(3) When a minor item the book cost of which does not exceed $50 is retired and not replaced, if the book cost of such minor item is included with or spread over one or more units of property so that it will be accounted for through the retirement of such one or more units of property, no separate credit to the electric plant account shall be made; otherwise, however, the book cost of such minor item shall be credited to the appropriate electric plant account and charged to account 1250, Reserve for Depreciation of Utility Plant.
Note A: For example, if a pole is a unit and the cost of attachments, such as crossarms, guys, etc., is spread on an average basis over all the poles or is included as a part of the cost of the pole to which they are attached, no separate credit to the plant account shall be made when such an attachment (the book cost of which is less than $50) is retired, even though not replaced. Any labor in connection with the removal shall be charged to the appropriate maintenance account, and any salvage for material recovered shall be credited to the appropriate maintenance account.

(d) Determination of amount to be credited to plant accounts. Electric plant retired shall be credited to the plant accounts at the amount at which such property is included therein, including all components of construction costs, such as engineering, supervision, interest and taxes during construction, etc. The amount shall be determined from the utility's records and if this can not be done, it shall be estimated. When it is impracticable to determine the amount carried on the books for each item, due to the relatively large number or small cost thereof, the average of such items, with due allowances for any differences in size, character and year of installation (if known) shall be used.

(e) Land retired. When land is retired the amount at which it is carried on the books shall be credited to the appropriate land account. If the land is sold, the difference between the amount at which it is carried on the books and the sale price of the land (less commissions and other expenses of making the sale) shall be credited or debited to account 1250, Reserve for Depreciation of Utility Plant.

182.3 Components of construction cost.

(a) The cost of construction properly includible in the electric plant accounts shall include, when applicable and when actually incurred, the cost of contract work, labor, materials and supplies, transportation, engineering and supervision, law expenditures, compensation and other insurance and injuries and damages applicable to construction, taxes and interest during construction, permits and privileges, use of construction facilities, cost of keeping construction records, and other analogous elements applicable to the construction and acquisition of electric plant. The costs includible in the principle items are:

(1) Contract work includes amounts paid for work performed under contract by other companies, firms, or individuals, costs incident to the award of such contracts, and the inspection of such work. The cost of work performed by the utility on projects when part of the work is performed by the utility itself and part is performed by others under contract shall be included as labor, materials, transportation, general administration, engineering services, etc.

(2) Labor includes the pay and expenses of employees of the utility engaged on construction work, and also workmen's compensation insurance, payroll taxes and similar items of expense.

(3) Materials and supplies includes the purchase price at the point of free delivery plus customs duties, excise taxes, the cost of inspection, loading and transportation, the related stores expenses and the cost of fabricated materials from the utility's shop. In determining the cost of materials and supplies used for construction, proper credit shall be made for unused materials and supplies, for materials recovered from temporary structures used in performing the work involved, and for discounts allowed and realized in the purchase of materials and
(4) Transportation includes the cost of transporting employees, materials and supplies, tools, purchase equipment, and other work equipment (when not under own power) to and from points of construction. It includes amounts paid to others as well as the cost of operating the utility's own transportation equipment.

(5) Engineering and supervision includes the portion of the pay and expenses of general officers, engineers, surveyors, draftsmen, inspectors, superintendents and their assistants applicable to construction work and the amounts paid to other companies, firms or individuals engaged by the utility to plan, design, prepare estimates, supervise, inspect, or give general advice and assistance in connection with construction work.

(6) Law expenditures includes the general law expenditures incurred in connection with construction and the court and legal costs directly related thereto.

(7) Interest during construction includes the net cost of borrowed funds used for construction purposes and a reasonable rate upon the utility's own funds when so used. Interest during construction shall be charged to the individual job upon which the funds are expended and shall be credited to account 1536, Interest Charged to Construction--Credit. The period for which interest may be capitalized shall be limited to the period of construction. No interest shall be included in these accounts upon expenditures for construction projects which have been abandoned.

(8) Taxes during construction includes taxes on physical property (including land) during the period of construction and other taxes properly includible in construction costs before the facilities become available for service.

Note A: The cost of property includes the cost of preliminary surveys and studies and the cost of preparing plans and specifications at the time of construction for construction projects which are undertaken, and also the cost of keeping the construction accounts during the construction period, together with the cost of maps, books, files and other systems employed and permanently preserved in support of such construction costs.

The cost of property does not include the cost incurred subsequent to the construction period of preparing, installing or maintaining maps, inventories, accounting and other financial records of property for use in the operation of a constructed plant, the cost of the preparation of inventories, appraisals, or other studies, nor costs incurred in the establishment or revision of accounting routine.

182.4 Land and land rights.

(a) Land and land rights (accounts 1310, 1350 and 1370) means land owned in fee by the utility and rights, interests, and privileges held by the utility in land owned by others, such as leaseholds, easements, water rights, rights of way, and other like interests in land.

(b) Separate entries shall be made for the acquisition, transfer, or retirement of each parcel of land, and each land right, or water right, having a life of more than one year. A record shall be maintained showing the nature of ownership, full legal description, area, map reference, purpose for which used, city, village, county, and tax district in which situated, from whom purchased or to whom sold, payment
given or received, other costs, contract date and number, date of
recording deed, book and page of record. Entries transferring or
retiring land or land rights shall refer to the original entry recording
its acquisition.
(c) Entries to the electric plant accounts for limited-term interests
in land shall make specific reference to the lease, contract or
arrangement under which each interest is held or used, together with a
concise statement of the terms of the lease, contract or arrangement.
(d) The cost of buildings and other improvements (other than public
improvements) shall not be included in the land accounts. If at the time
of acquisition of an interest in land such interest extends to buildings
or other improvements (other than public improvements), which are then
devoted to electric operations, the land and improvements shall be
separately appraised and the cost allocated to land and buildings or
improvements on the basis of the appraisals. If the improvements are
removed or wrecked without being used in electric operations, the cost
thereof and the cost of removing or wrecking shall be charged and the
salvage credited to the account in which the cost of the land is
recorded.
(e) The principal items to be included in the accounts for land and
land rights are as follows:
(1) Bulkheads, not requiring maintenance or replacement
(2) Cost of acquisition of land including mortgages and other liens
assumed (but not subsequent interest thereon after the property is
placed in service)
(3) Clearing (first cost), the land of brush, trees and debris; and
also tree trimming (first cost) when not chargeable to other electric
plant accounts
(4) Condemnation proceedings, including court and counsel costs
(5) Consents and abutting damages, payments for
(6) Conveyancers' and notaries' fees
(7) Fees, commissions, etc., to brokers, agents and others in
connection with the acquisition of the land or land rights
(8) Grading the land, except when directly occasioned by the building
of a structure
(9) Leases, cost of voiding upon purchase to secure possession of land
(10) Removing, relocating, or reconstructing property of others, in
order to acquire quiet possession
(11) Special assessments levied by public authorities for public
improvements on the basis of benefits for new roads, new bridges, new
sewers, new curbing, new pavements, and other public improvements, but
not taxes levied to provide for the maintenance of such improvements
(12) Surveys in connection with the acquisition
(13) Taxes assumed, accrued to date of transfer of title
(14) Title, examining, clearing, insuring, and registering in
connection with the acquisition, and defending against claims relating
to the period prior to the acquisition

182.5 Structures and improvements.
(a) Structures and improvements (accounts 1311, 1351 and 1371) means
all permanent buildings and structures to house, support or safeguard
property or persons, and improvements of a permanent character on or to
land, including all fixtures permanently attached to and made a part of
buildings or structures and which can not be removed therefrom without
cutting into the walls, ceilings or floors, or without in some way impairing the buildings.

(b) Structures and improvements are of two types, Buildings and Other Structures. The principal items includible under Buildings are:

1. Architects' plans
2. Ash pits (when located within the building proper)
3. Boilers, furnaces, piping, wiring, fixtures and machinery for heating, lighting, signaling, ventilating and plumbing
4. Bulkheads, including dredging, riprap fill, piling, decking, concrete, fenders, etc., when exposed and subject to maintenance and replacement
5. Chimneys
6. Coal bins and bunkers
7. Commissions and fees to brokers, agents, architects and others
8. Conduit
9. Damages to abutting property during construction
10. Door checks and door stops
11. Drainage and sewerage systems
12. Elevators, cranes, hoists, etc., and the machinery for operating them, when not specifically provided for in other accounts
13. Excavation, including shoring, bracing, bridging, refill, and disposal of excess excavated material
14. Fire protection systems when forming a part of a structure
15. Floor covering (permanently attached)
16. Foundations and piers for machinery, constructed as a permanent part of a building or other item listed herein
17. Grading when directly occasioned by the building of a structure
18. Leases, voiding, upon purchase, to secure possession of structures
19. Leased property, expenditures on (See electric plant instruction 38 182.8.)
20. Lighting fixtures and outside lighting systems
21. Painting, at time of construction
22. Partitions, including movable
23. Permits and privileges
24. Platforms, railings, and gratings when constructed as a part of a structure
25. Power boards for services to a building
26. Refrigerating systems for general use
27. Retaining walls
28. Scales, connected to and forming a part of a structure
29. Screens
30. Sprinkling systems
31. Stacks--brick, steel, or concrete, when set on foundation forming part of general foundation and steelwork of a building
32. Storage facilities constituting a part of a building
33. Storm doors and windows
34. Subways, areaways, and tunnels directly connected to and forming part of a structure
35. Tanks constructed as part of a building when not includible in account 1312 or account 1332
36. Tunnels, intake and discharge, when constructed as part of a structure
37. Vaults constructed as part of a building
(38) Water supply system for a building
(39) Window shades and ventilators
(c) Items not included in Buildings:
   (1) Do not include in the cost of buildings any lighting, heating, or
       other fixtures temporarily attached for purposes of display or
       demonstration.
   (2) The cost of specially provided foundations not expected to outlast
       the machinery or apparatus for which provided, and the cost of angle
       irons, castings, etc., installed at the base of an item of equipment,
       shall be charged to the same account as the cost of the machinery,
       apparatus, or equipment.
   (3) Minor buildings and structures, such as valve towers, patrolmen's
       towers, telephone stations, etc., which are used directly in connection
       with or form a part of a reservoir, dam, waterway, etc., shall be
       considered a part of the facility in connection with which constructed
       or operated and the cost thereof shall be accounted for accordingly.
   (4) When furnaces and boilers are used primarily for furnishing steam
       for some particular department and only incidentally for furnishing
       steam for heating a building and operating the equipment therein, the
       entire cost of such furnaces and boilers shall be charged to the
       appropriate equipment account, and no part to the building account.
   (5) Where the structure of a dam forms also the foundation of the
       power plant building, such foundation shall be considered a part of the
       dam.
   (6) Minor structures at substations shall be included in account 1352,
       Station Equipment.
   (d) Items includible under "Other Structures":
      (1) Athletic field structures
      (2) Docks
      (3) Fences and fence curbs (not including protective fences isolating
          individual items of equipment, which should be charged to the
          appropriate equipment account)
      (4) Gas and oil supply systems, including pipe lines, holders,
          boosters, etc.
      (5) Intra-site communication system poles, pole fixtures, wires and
          cables
      (6) Landscaping, lawns, shrubbery, etc.
      (7) Roadways, railroads, bridges, and trestles, intra-site, except
          railroads provided for in equipment accounts
      (8) Sewer systems for general use
      (9) Sidewalks, curbs and streets constructed by the utility
      (10) Tanks when constructed as distinct structural units
      (11) Water front improvements
      (12) Water supply piping, hydrants and wells
      (13) Yard drainage systems
      (14) Yard lighting systems
      (15) Yard surfacing, gravel, concrete, or oil

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182.6 Work order system required (Class C utilities only). (a) Each
utility shall record all changes, such as installations, additions,
retirements or replacements in electric plant used wholly or partly in
electric operations by means of a work order or job order system. Such
work orders and supporting records shall be permanently preserved.
(b) All installations, additions, retirements, or replacements shall
be covered by work orders. Standing work orders may be used for projects of less than $250 each, such as for poles, transformers, services, and meters.

(c) The work order shall include the following particulars:

1. A work order number;
2. A description and the location of the work to be done (or the purchase to be made), the dates between which such work (or purchase) is to be accomplished, the date when the work was begun and the date when finished, the estimated cost of the project, together with maps, plans, diagrams, specifications, etc., applicable to the project;
3. The accumulated charges applicable to each particular job or project and the total cost of the completed project; the cost of removal shall also be shown. When any project involves charges to more than one account, the work order shall be so kept as to show the amount chargeable to each account. Every charge or credit on work orders shall refer to the voucher, journal, or other source from which the entry therein was made.
4. The cost of completed projects shall be promptly transferred to the accounts to which chargeable.

Note A: 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 which satisfies the commission that the system which it has in use for recording changes in electric 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.

182.7 Transfers of property. (a) When property is transferred from one account for electric plant to another, from one utility department to another, such as from electric to gas, or, in the case of Class C utilities, to or from accounts 1101, Electric Plant in Service, 1102, Electric Plant Leased to Others, and 1104, Electric Plant Held for Future Use, the transfer shall be recorded by transferring the book cost thereof from the one account, department or division to the other, and likewise any related amounts carried in the depreciation and amortization reserves and other accounts shall be transferred in accordance with the segregation of such reserves and other accounts. When property (except customers' meters and line transformers) in connection with which installation costs have been incurred is physically transferred it shall be accounted for as provided in electric plant instruction section 182.2.

(b) When property subject to depreciation is transferred from the electric plant accounts to account 1110, Other Physical Property, the transfer shall be accomplished by crediting the electric plant accounts and charging the depreciation reserve with the book cost of the item transferred; the depreciation reserve shall then be credited and account 1110, Other Physical Property, charged with the fair value of the property transferred.

182.8 Expenditures on property leased for use in electric operations.

(a) The cost of additions and betterments, excluding replacements by lessee of units of property installed by lessor, to property leased from others shall be charged to separate subdivisions of the electric plant accounts appropriate for the class of property leased. Depreciation
thereon shall be computed on a basis consistent with the duration of the lease.

(b) The cost of initial repairs and rearrangements to adapt the property for use in electric operations shall be charged to a subdivision of account 1132, Pre-payments, and amortized over the life of the lease through credits to that account with concurrent debits to the rent account appropriate for the class of property involved.

(c) If, in the case of leased property, replacements of units of property installed by the lessor become necessary, the utility shall make application to the commission for instructions regarding the accounting procedure to be followed and shall submit full particulars of the nature and extent of the replacements.

(d) When expenditures on property leased from others for use in electric operations are relatively minor, or the period of the lease is less than one year, the cost shall be charged to the account appropriate for the cost of repairs of such plant.

PART 183
INSTRUCTIONS--OPERATING REVENUE ACCOUNTS
(Statutory authority: Public Service Law, § 66(4))

Sec.
183.1 Purpose of operating revenue accounts
183.2 Basis of credits to operating revenue accounts
183.3 Commissions on electric sales
183.4 Electricity supplied without direct charge
183.5 Electricity or steam used by utility
183.6 Supporting records

Section 183.1 Purpose of operating revenue accounts.
The operating revenue accounts (1600 to 1615) are designed to show the amounts of money which the utility becomes entitled to receive from furnishing electric utility service and from service incidental thereto, including amounts for services rendered but not yet billed when the utility exercises its option to record in account 1133, Miscellaneous Current and Accrued Assets, such accrued electric revenue.

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

183.3 Commission on electric sales.
If the utility distributes all or a part of its electric energy through an agent but the sales are made to customers under rate schedules filed by the utility, the utility shall credit its revenue accounts with the full amount of sales to customers. The commission paid to the agent shall be charged to account 1800, Other General Expenses, and any distribution expenses charged by the agent shall be debited to the appropriate expense accounts. Agents shall credit the amount of commissions earned to operating revenue account 1615, Miscellaneous Electric Revenues.
Electricity supplied to municipalities, or to other governmental units, without charge, in accordance with franchise and similar requirements, shall be charged to account 1805, Franchise Requirements, and credited concurrently to account 1806, Duplicate Charges--Credit.

Electricity or steam used by utility. (a) If the utility desires to charge the appropriate accounts in any of its electric operations with the cost of electricity or steam used from its own supply, the credit therefor shall not be made to operating revenue accounts, but to account 1806, Duplicate Charges--Credit.

(b) Electricity supplied by the utility to other departments shall be credited to account 1607, Interdepartmental Sales; steam supplied from the production plant to other departments shall be credited to account 1742, Steam Produced--Credit, except when such production of electricity or steam is treated as a joint facility, in which case it shall be accounted for as provided in accounts 1808-1809.

Supporting records. Each utility shall so keep the records supporting the entries to each electric sales account that it can furnish (a) the name of each customer, (b) the quantity of electric energy furnished to each customer, (c) the amount charged for electric energy furnished each customer, and (d) the service classifications under which the charge is made. Each utility shall also be prepared to report upon request, within a reasonable time, for each month or other billing period and for each year, the quantity of energy sold and the charges therefor, by service classifications.

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D C 1271. Surplus

ASSETS AND OTHER DEBITS

UTILITY PLANT

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

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

D 1100. Electric Plant

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

C 1101. Electric Plant in Service

This account shall include the original cost of electric plant owned
and used and useful by the utility in the service of the public in its
electric operations. The original cost of such plant not owned,
including additions to and betterments of property leased from others,
shall be included in separate subdivisions of this account. (See
electric plant instruction ñ 182.8.)

C 1102. Electric Plant Leased to Others

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

C 1103. Construction Work in Progress

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

C 1104. Electric Plant Held for Future Use

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

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

D C 1105. Electric Plant Acquisition Adjustments

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

B. With respect to electric plant acquired after December 31, 1938, as
an operating unit or system by purchase, merger, consolidation,
liquidation or otherwise, this account shall include (unless otherwise
ordered by this commission) the difference between (a) the cost to the
accounting utility of such electric plant, and (b) the original cost
thereof less credit representing contributions (see par. B of account
1265, Contributions in Aid of Construction, (infra) and electric plant
instruction ñ 182.1, subd. (e)), less the amount or amounts credited to
the depreciation reserves of the accounting ability at the time of
acquisition with respect to such electric plant and less the amount in
account 1265, Contributions in Aid of Construction.

C. Whenever practicable, this account shall be subdivided by Class C
utilities according to the character of the amounts included herein and
so as to show the amounts applicable to electric plant in service,
electric plant leased to others, and electric plant held for future use.
D. A record shall be kept of the amounts in this account for each property acquisition after the effective date hereof.

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

D C 1106. Unclassified Electric Plant

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

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

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

D. There shall also be included in a separate subdivision of this account:

1. the cost of electric plant acquired as an operating unit or system by purchase, merger, consolidation, liquidation or otherwise, pending the distribution thereof to the appropriate accounts in accordance with orders of this commission; and

2. the credit for the sale price of electric plant constituting an operating unit or system sold, conveyed or transferred to another through sale, merger, consolidation, or otherwise, pending the completion of the accounting for the transaction and an order of this commission for the accounting of such sale.

D C 1108. Other Utility Plant

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

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

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

INVESTMENT AND FUND ACCOUNTS

D C 1110. Other Physical Property

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

B. The records supporting the entries to this account shall be so kept that the utility can furnish information as to the nature and cost of each kind of property, from whom it was acquired, its location, and its use.
D C 1114. Miscellaneous Investments and Special Funds
A. This account shall include assets, such as:
(1) Investments in securities issued or assumed by others;
(2) Advances to others, except advances to associated companies (see account 1115) including interest accrued thereon; and
(3) Assets held in sinking funds, depreciation funds, and other special funds, such as:
   (a) Cash
   (b) Securities issued by others or other assets, at cost, except as provided in paragraphs C and D
   (c) Live securities, issued or assumed by the utility, at cost
   (d) Securities of the utility issued to trustees without intervening sale, at face value
(4) Special deposits for more than one year, such as for rent, performance of contracts, etc.
B. The records shall be so kept as to show the amount of each investment and the investment advances to each person.
C. Except as otherwise provided, the investments included in this account shall be recorded at cost at the time of acquisition. Cost does not include any amount paid for accrued interest or dividends. The utility may write down the cost of any investment in recognition of a decline in the value thereof, and if there be no reasonable prospect of substantial value it shall be written off or written down to a nominal value. Fluctuations in market value shall not be recorded but a permanent impairment in the value shall be recognized in the accounts. When investments are written off, or written down the amount of the adjustment shall be charged to account 1538, Miscellaneous Income Deductions, or to account 1414, Miscellaneous Debits to Surplus, except that if a reserve has been created therefor, it shall be to such reserve account.
D. If securities with a fixed maturity date are purchased at a discount or at a premium, such discount or premium may be written off over the remaining life of the securities through periodic debits or credits to this account with concurrent credits or debits to account 1524, Interest Revenues.
   Note A: Securities pledged shall be so indicated.
   Note B: This account shall not include advances to or open accounts with associated companies. (See account 1115, Owing by Associated Companies.)

D C 1115. Owing by Associated Companies
A. This account shall include debit balances in all accounts with associated companies, and notes and drafts upon which associated companies are liable, together with interest thereon.
B. This account shall be so kept as to show for each associated company the amounts receivable on notes separately from amounts receivable on open accounts, and the due date of each item.
   Note: The face amount of notes receivable from associated companies discounted or sold without releasing the utility from liability as endorser thereon, shall not be credited to this account, but to account 1221, Notes Receivable Discontinued.

CURRENT AND ACCRUED ASSETS
D C 1120. Cash and Working Funds
This account shall include cash on hand and in bank and cash advanced
to officers, agents, employees, and others as petty cash or working funds. Special cash deposits for payment of interest, dividends, or other special purposes shall be included in this account in separate subdivisions which shall specify the purpose for which each such special deposit is made.

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

D C 1124. Notes Receivable

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

Note A: Notes receivable from associated companies shall not be included herein but in account 1115, Owing by Associated Companies.

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

D C 1125. Accounts Receivable

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

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

D C 1131. Materials and Supplies

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

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

C. Cash or other discounts on materials shall be deducted, when practicable, in determining the cost of the particular material, or credited to the account to which the material is charged. Discounts which are not so handled shall be credited to account 1810, Stores, Shop and Laboratory Expenses, unless account 1902, Stores Expenses--Clearing, is used, in which case they shall be therein included.

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

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

F. Inventories of materials, supplies, fuel, etc., shall be taken at least annually and the necessary adjustments shall be made to bring this account into harmony with the actual inventories. In effecting the adjustments, differences shall be equitably apportioned among the accounts to which materials have been charged since the preceding inventory, or included in account 1810, Stores, Shop and Laboratory Expenses, unless account 1902, Stores Expenses--Clearing, is used, in which case they shall be therein included.

Note: Appliances held under consignment shall not be included herein, but there shall be kept a memorandum account of such appliances either at cost or at selling price, to show the appliances in stock and appliances sold.

D C 1132. Prepayments
A. When a payment is made in advance of the period to which the expenditure applies, the amount thereof shall be charged to this account. Each month or other accounting period to which the item applies an entry shall be made crediting this account and charging the appropriate account with its proper portion of the prepayment.

B. Representative items includible herein are prepaid insurance, rents (see electric plant instruction 8 182.8), taxes and interest. The account shall be so kept or supported as to disclose the balance of each class of prepayments.

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

D C 1133. Miscellaneous Current and Accrued Assets
This account shall include the following classes of items:
(1) Interest, dividends and rents receivable, except from associated companies;
(2) Estimated amounts accrued to the utility for service rendered but not billed as of the end of any accounting period; (this is optional.)
(3) Cash surrender value of life insurance policies under which the utility is the beneficiary; and (See note to account 1800, Other General Expenses.)
(4) Other assets not includible in accounts 1120 to 1132, or 1115, which are readily convertible into cash or are held for current use in
DEFERRED DEBITS

D C 1140. Unamortized Debt Discount and Expense

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

B. When discount and expenses are incurred on an issue of long-term debt (see ð180.1 (a) (8)) or when expenses on an issue are greater than the premiums on such issue, the amount thereof shall be included in this account. A separate subdivision shall be kept for each class and series of long-term debt.

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

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

D C 1146. Miscellaneous Deferred Debits

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

1. Expenditures for preliminary surveys, plans, investigations, etc., made for the purpose of determining the feasibility of projects under contemplation. If construction results, this account shall be credited with the amount applicable thereto and the appropriate electric plant accounts shall be charged with an amount which does not exceed the expenditures which may reasonably be determined to contribute directly and immediately and without duplication to electric plant. If the work is abandoned, the charge shall be to account 1538, Miscellaneous Income Deductions, or account 1414, Miscellaneous Debits to Surplus, unless otherwise authorized or directed by this commission.

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

3. Undistributed balances in clearing accounts (see accounts 1901 to 1905) at the date of the balance sheet. Balances in clearing accounts shall be substantially cleared not later than the end of the calendar year unless items held therein relate has future period.
(4) Balances representing expenditures for work in progress other than on utility plant. This includes jobbing and contract work in progress.

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

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

CAPITAL STOCK EXPENSE

D C 1151. Capital Stock Expense

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

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

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

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

REACQUIRED SECURITIES

D C 1152. Reacquired Capital Stock

A. This account shall include the par value of capital stock which had been issued by the utility and is reacquired by it and not retired or canceled, but is held by the utility. Stock without par value shall be included in this account at the proportionate amount at which the particular class and series of stock is included in account 1200, Common Capital Stock, or account 1201, Preferred Capital Stock.

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

C. When reacquired capital stock is retired or canceled, this account shall be credited and account 1200 or 1201, as applicable, shall be charged with the amounts at which such stock is included therein. When reacquired capital stock is resold by the utility (see Public Service Law, § 69), the par value (or amount included in this account for stock without par value) of the stock resold shall be credited to this account.

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

D C 1153. Reacquired Long-term Debt

A. This account shall include the par or face value of bonds or other long-term debt which had been issued or assumed by the utility and is reacquired by it and held under conditions which do not permit the utility to treat such securities as paid, retired, or canceled, but which permit the resale of the securities (see Public Service Law, § 69). It shall not include securities which are held by trustees in sinking or other funds.

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

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

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

LIABILITIES AND OTHER CREDITS

CAPITAL STOCK

D C 1200. Common Capital Stock
D C 1201. Preferred Capital Stock
A. These accounts shall include the par value of capital stock with par value and the cash value of the consideration received for non-par stock, of each class of capital stock which has been issued and is outstanding, and also the capital stock in account 1152, Reacquired Capital Stock.

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

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

D. A separate ledger account, with a descriptive title, shall be kept for each class and series of stock. The supporting records shall show the shares in the hands of the public and those reacquired by the company and not resold.

Note A: When a levy or assessment, except a call for payment on subscriptions, is made against holders of capital stock, the amount collected upon such levy or assessment on capital stock with par value shall be credited to account 1203, Premiums and Assessments on Capital Stock, and a levy or assessment on capital stock without par value shall be included in these accounts.

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

D C 1203. Premiums and Assessments on Capital Stock
A. This account shall include the excess of actual cash value of the consideration received over the par value and accrued dividends, of par value stock issue together with assessments against stockholders representing payments required in excess of par value. (Assessments on stock without par value shall be included in account 1200 or 1201, as appropriate.)

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

C. When capital stock is reacquired or retired, the amount in this account with respect to the shares of such stock reacquired or retired shall be debited hereto.

D C 1205. Installments Received on Capital Stock
A. This account shall include the amount of installments received on
capital stock subscribed for on a partial or instalment payment plan.

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

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

NON-CORPORATE PROPRIETORSHIP

D C 1206. Non-corporate Proprietorship

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

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

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

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

LONG-TERM DEBT

D C 1210. Bonds

This account shall include the face value of unmatured bonds which have been issued and have not been retired or canceled; also the face value of such bonds issued by others the payment of which has been assumed by the utility. The account shall be so kept as to show the face value of each class and series outstanding.

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

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

D C 1211. Receivers' Certificates

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

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

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

D C 1213. Miscellaneous Long-term Debt
A. This account shall include until maturity all notes or other obligations (except advances from associated companies) having a life of more than one year after issue or assumption. This includes such items as real estate mortgages, executed or assumed, assessments for public improvements due later than one year after date, etc.

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

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

DEBTS TO ASSOCIATED COMPANIES

D C 1214. Debts to Associated Companies
This account shall include all amounts owed to associated companies on notes, drafts, acceptances or other similar evidences of indebtedness and open accounts payable, and also interest on obligations included herein, and shall be so kept as to show separately the amount payable to each associated company on (1) notes, (2) open accounts.

CURRENT AND ACCRUED LIABILITIES

D C 1220. Notes Payable
This account shall include the face value of all notes, drafts, acceptances, or other similar evidences of indebtedness to other than associated companies, payable on demand or which by their terms are payable within a time not exceeding one year from the date of issue.

D C 1221. Notes Receivable Discounted
This account shall include the face amount of notes receivable discounted or sold without releasing the utility from liability as endorser thereon.

D C 1222. Accounts Payable
This account shall include all open accounts payable by the utility within one year and which are not provided for in other accounts.

D C 1224. Dividends Declared
This account shall include the amount of dividends which have been declared but not paid. Dividends shall be credited to this account when they become a liability.

D C 1225. Matured Long-term Debt
When any debt carried in account 1210, Bonds, 1211, Receivers' Certificates, or 1213, Miscellaneous Long-term Debt, matures but is not paid or for which no specific agreement for extension of the time of payment is made, it shall be transferred to this account; bonds called for redemption but not presented, shall also be included herein.

D C 1227. Customers' Deposits
This account shall include all amounts deposited with the utility by customers as security for the payment of bills.

D C 1228. Taxes Accrued
A. This account shall be credited each month with the amount of taxes applicable thereto when payment of such taxes is to be made in a subsequent period. Concurrently, debits shall be made to the appropriate accounts for tax charges. In the absence of precise information as to the amount of the tax the monthly credits to this account will
necessarily be based upon estimates; when the actual amount of the tax becomes known, the amounts of the periodic accruals shall be adjusted so as to include as nearly as can be determined in each year the taxes applicable thereto.

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

D C 1229. Interest Accrued
This account shall include the amount of interest accrued on long-term debt and other liabilities of the utility, except interest on debt to associated companies, which shall be included in account 1214, Debts to Associated Companies, and except interest which is added to the principal of the debt on which incurred.

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

D C 1230. Other Current and Accrued Liabilities
This account shall include liabilities of a current character (those which are either matured at the date of the balance sheet or become due on demand or within one year from date of issuance or assumption except bonds, receivers' certificates, and debts to associated companies) or which have accrued but are not payable at the date of the balance sheet, other than those for which accounts 1220 to 1229 above have been provided.

DEFERRED CREDITS

D C 1240. Unamortized Premium on Debt
A. This caption shall include credit balances representing the premiums less expenses, when a net credit, on each issue of long-term debt, including receivers' certificates. (See account 1140 for definitions of premium and debt expenses.)

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

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

D C 1241. Customer Advances for Construction
A. This account shall include such advances by customers for construction as are to be refunded wholly or in part. When a customer is refunded the entire amount to which he is entitled according to the agreement or rule under which the advance was made, the balance, if any, remaining in this account shall be debited hereto and credited to the electric plant accounts to which the cost of the property was charged.

B. Separate subdivisions shall be kept for each utility service.

D C 1242. Other Deferred Credits
This account shall include advanced billings and receipts and other deferred credit items not provided for elsewhere; also amounts which can not be entirely cleared or disposed of until additional information has been received, or which should be credited to income or to surplus accounts in the future.
RESERVES

D C 1250. Reserve for Depreciation of Utility Plant
A. This account shall be credited with the following:
(1) Amounts representing currently accruing depreciation on utility plant (See general instruction ñ 181.8.);
(2) Amounts charged to account 1414, Miscellaneous Debits to Surplus, for past accrued depreciation of utility plant;
(3) Accrued depreciation upon utility properties acquired as operating units or systems;
(4) Amounts charged upon approval of the commission to account 1146, Miscellaneous Deferred Debits.
B. Class C utilities shall subdivide this account as follows:
C 1250.1 Reserve for Depreciation of Electric Plant in Service
C 1250.2 Reserve for Depreciation of Electric Plant Leased to Others
C 1250.4 Reserve for Depreciation of Electric Plant Held for Future Use
C 1250.6 Reserve for Depreciation of Unclassified Electric Plant
C 1250.8 Reserve for Depreciation of Other Utility Plant
C. Class C utilities shall keep further subdivisions of the foregoing accounts to show the amounts applicable to each electric plant account (1302-1390); and also subdivisions for "Common" plant.
D. This account shall be charged with the amount carried on the books for plant retired, including intangible plant having a terminable life as provided in paragraph F hereunder (except items in account 1301, Organization) and with the cost of removal, and shall be credited with the salvage realized and any other amounts recovered, such as insurance. (See also par. (2) of account 1146, Miscellaneous Deferred Debits.)
E. The reserves shall be so kept as to show separately for each subdivision (1) the amount of the accrual for depreciation, (2) the amount at which property retired was carried on the books, (3) cost of removal, (4) salvage, and (5) other items, including recoveries from insurance.
F. This account shall include also the provision for writing off the cost of intangible plant having a terminable life (except items in account 1301, Organization). When any franchise, license, patent right, limited-term interest in land or land right expires, is sold, relinquished or otherwise retired from service, this account shall be charged with the amount previously credited hereto in respect to such property. The amount included in accounts 1101-1104 and 1106, for property so retired, less the amount chargeable to this account, and less the proceeds realized shall be included in the appropriate surplus account.
Note: The utility is restricted in its use of the reserve to the purposes set forth above. It shall not divert any portion of the reserve to Surplus or make any other use thereof without the approval of this commission.

D C 1252. Reserve for Amortization of Electric Plant Acquisition Adjustments
This account shall be credited (or debited) with amounts which are charged (or credited) to account 1505, Amortization of Electric Plant Acquisition Adjustments, to account 1538, Miscellaneous Income Deductions, or to Surplus, for the purpose of providing for the extinguishment of amounts carried in account 1105, Electric Plant Acquisition Adjustments.
D C 1254. Reserve for Uncollectible Accounts

This account shall be credited each month with estimated amounts required to provide for losses on accounts receivable which may become uncollectible, and also with collections on accounts previously charged hereto. Concurrent charges shall be made to account 1783, Uncollectible Accounts, for amounts applicable to electric operations, and to corresponding accounts for other operations.

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

D C 1255. Reserve for Insurance, Injuries and Damages

A. This account shall be credited, and account 1798, Insurance, Injuries and Damages, or other appropriate account, charged each month with amounts which the utility estimates are required for self-insurance against losses through accident, fire, flood, or other hazards to its own property or property leased from others, and for probable liability, not covered by insurance, for deaths or injuries to employees and others, and for damages to property not owned or held under lease. A schedule of risks covered by this reserve shall be maintained, giving a description of the property involved, the risks covered, and the rates used.

B. Charges shall be made to this account for:

(1) Losses to property owned or leased from others, covered by self-insurance
(2) Liability for any injury or damage which is admitted by the utility either voluntarily or because of the decision of a court or other lawful authority, such as a workmen's compensation board; the amount of the liability pending its payment shall be credited to the appropriate liability account.

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

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

D C 1258. Miscellaneous Reserves

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

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

CONTRIBUTIONS IN AID OF CONSTRUCTION

D C 1265. Contributions in Aid of Construction

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

B. Amounts in this account at December 31, 1946 which are refundable wholly or in part shall be transferred to account 1241, Customer Advances for Construction. Unless otherwise ordered by the commission, non-refundable amounts in this account at December 31, 1946 which can be identified with property in electric plant accounts shall be transferred to the appropriate accounts. Amounts not identified with property in electric plant accounts may be distributed to electric plant accounts.
under a plan approved by the commission; otherwise the amounts remain in this account. Except as provided herein, amounts in this account shall not be transferred to any other account without the approval of the commission.

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

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

SURPLUS

D C 1271. Surplus
This account shall include the total of balances of accounts 1400 to 1414. The balance may be either a credit or a debit.

ELECTRIC PLANT ACCOUNTS

INTANGIBLE PLANT

D C 1301. Organization
D C 1302. Franchises and Consents
D C 1303. Miscellaneous Intangible Plant

PRODUCTION PLANT

D C 1310. Land and Land Rights
D C 1311. Structures and Improvements
D C 1312. Steam Power Equipment
D C 1322. Reservoirs, Dams and Waterways
D C 1323. Hydraulic Power Equipment
D C 1332. Internal Combustion Engine Power Equipment

TRANSMISSION AND DISTRIBUTION PLANT

D C 1350. Land and Land Rights
D C 1351. Structures and Improvements
D C 1352. Station Equipment
D C 1354. Overhead Lines
   C 1354.1 Poles, Towers and Fixtures
   C 1354.2 Overhead Conductors and Devices
   C 1354.3 Overhead Services
D C 1356. Underground Lines
   C 1356.1 Underground Conduit
   C 1356.2 Underground Conductors and Devices
   C 1356.3 Underground Services
D C 1358. Line Transformers
D C 1360. Meters
D C 1361. Installations on Customers' Premises
D C 1362. Leased Property on Customers' Premises
D C 1363. Street Lighting and Signal Systems

GENERAL PLANT

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

INTANGIBLE PLANT

D C 1301. Organization
This account shall include fees paid to Federal or State governments
for the privilege of incorporation and expenditures for organizing the corporation, partnership or other enterprise and putting it into readiness to do business.

ITEMS

1. Cost of obtaining certificates authorizing an enterprise to engage in the public utility business (except costs includible in account 1302 (§ 190.3))
2. Fees and expenses for incorporation
3. Fees and expenses for mergers or consolidations
4. Office expenses incident to organizing the utility
5. Stock and minute books and corporate seal

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

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

D C 1302 Franchises and Consents
A. This account shall include only amounts paid to the Federal government, to a State or to a political subdivision thereof in consideration for franchises, consents, or certificates, running in perpetuity or for a specified term of more than one year.
B. If a franchise, consent, or certificate is acquired by assignment, the charge to this account in respect thereof shall not exceed the amount paid therefor by the utility to the assignor, nor shall it exceed the amount paid by the original grantee. Any excess of the amount actually paid by the utility over the amount above specified shall be charged to account 1414, Miscellaneous Debits to Surplus.
C. When any franchise has expired, the amount included therefor in this account shall be credited hereto.

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

D C 1303. Miscellaneous Intangible Plant
A. This account shall include the cost of patent rights, licenses, privileges, and other intangible property necessary or valuable in the conduct of the utility's electric operations and not specifically chargeable to any other account.
B. When any item included in this account is retired or expires, the amount included herein for the item shall be credited hereto.
C. This account shall be so kept that the utility can furnish full information with respect to the amounts included herein.

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

PRODUCTION PLANT

Note: When generation is principally by a given type of motive power but supplemental equipment is available for emergency use, the production plant may, with the exception of facilities identified wholly
with a particular type of motive power, be classified in accordance with
the major use thereof.

D C 1310 Land and Land Rights
This account shall include the cost of land and land rights used in
connection with electric generation. (See electric plant instruction ò
182.4.)

D C 1311. Structures and Improvements
This account shall include the cost in place of structures and
improvements used in connection with electric generation. (See electric
plant instruction 182.5.)

D C 1312. Steam Power Equipment
This account shall include the cost installed of equipment in steam
production plants used in generating electricity, such as:
(1) Furnaces, boilers, coal and ash handling equipment, steam and feed
water piping, water supply and purification systems, boiler apparatus
and accessories
(2) Steam engines, reciprocating or rotary, and their associated
auxiliaries; generators, engine driven and turbine driven
(3) Accessory and other equipment in steam plants
Note A: Include office furniture and equipment, desks, chairs, etc.,
in account 1372, Office Furniture and Equipment.
Note B: This account shall not include boilers or steam pipes whose
primary purpose is the heating of structures.

D C 1322. Reservoirs, Dams and Waterways
This account shall include the cost in place of facilities used for
impounding, collecting, storage, diversion, regulation and delivery of
water used primarily for generating electricity. This includes
reservoirs, dams and waterways with all construction appurtenant
thereto, such as spillways, flash boards, gates, canals, tunnels, gate
houses, fish ladders, intakes, flumes, penstocks, forebays, tailraces,
and all other construction identified therewith.
Note: Include office furniture and equipment, desks, chairs, etc., in
account 1372, Office Furniture and Equipment.

D C 1323. Hydraulic Power Equipment
This account shall include the cost installed of equipment in
hydraulic power plants used in generating electricity, such as:
(1) Water wheels and hydraulic turbines and generators driven thereby
and their accessories
(2) Accessory and other equipment in hydraulic power plants

D C 1332. Internal Combustion Engine Power Equipment
This account shall include the cost installed of equipment in internal
combustion engine power production plants used in generating
electricity, such as:
(1) Fuel handling and storage equipment, and gas producers and
accessories devoted to the production of gas for use in internal
combustion engines driving electric generators
(2) Diesel or other internal combustion engines with their auxiliaries
(3) Generators and their accessories
(4) Accessory and other equipment in internal combustion engine
production plants
Note: Include office furniture and equipment, desks, chairs, etc., in
account 1372, Office Furniture and Equipment.

TRANSMISSION AND DISTRIBUTION PLANT

D C 1350. Land and Land Rights
This account shall include the cost of land and land rights used in connection with transmission or distribution operations. (See electric plant instruction Þ 182.4.)

D C 1351. Structures and Improvements
This account shall include the cost in place of structures and improvements used in connection with transmission or distribution operations. (See electric plant instruction Þ 182.5.)

D C 1352. Station Equipment
This account shall include the cost installed of transforming, conversion, and switching equipment, including transformer banks, etc., used for the purpose of changing the characteristics of electricity in connection with its transmission or distribution, and equipment for controlling the electric circuits.

Note A: The cost of rectifiers, series transformers and other special station equipment devoted exclusively to street lighting or signal system service shall not be included in this account, but in account 1363, Street Lighting and Signal Systems.

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

D 1354. Overhead lines
A. This account shall include the cost installed of overhead transmission and distribution lines, including:
   (1) Poles, towers and appurtenant fixtures, such as anchors, guys, crossarms, brackets, guards, pins, pole steps, transformer racks and platforms, pole plates, etc.
   (2) Wire and cable, circuit breakers, insulators, clamps, lightning arresters and ground wires, switches and other line devices, except transformers
   (3) Services, i.e., conductors leading from last pole to the connection with customer's service outlet and wiring

B. The costs chargeable to this account include also such items as permits, municipal inspection, protection of street openings, etc.

C. Class C utilities shall subdivide this account as follows:
   C 1354.1 Poles, Towers and Fixtures, to include plant provided for in item (1) above
   C 1354.2 Overhead Conductors and Devices, to include plant provided for in item (2) above
   C 1354.3 Overhead Services, to include plant provided for in item (3) above

Note A: The cost of plant used solely for street lighting or signal systems shall not be included in this account but in account 1363, Street Lighting and Signal Systems.

D 1356. Underground Lines
A. This account shall include the cost installed of underground transmission and distribution lines, including:
   (1) Conduit, including foundations, manholes, lighting systems, sewer connections, ventilating equipment, etc.
   (2) Wire and cable, circuit breakers, insulators, clamps, lightning arresters, switches, and other line devices, except transformers
   (3) Services, i.e., conductors leading from distribution box or manhole to the connection with customer's service outlet or wiring

B. The costs chargeable to this account include also such items as permits, municipal inspection, protection of street openings, etc.

C. Class C utilities shall subdivide this account as follows:
C 1356.1 Underground Conduit, to include plant provided for in item (1) above
C 1356.2 Underground Conductors and Devices, to include plant provided for in item (2) above
C 1356.3 Underground Services, to include plant provided for in item (3) above

Note A: The cost of plant used solely for street lighting or signal systems shall not be included in this account but in account 1363, Street Lighting and Signal Systems.

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

D C 1358. Line Transformers
A. This account shall include the cost installed of overhead and underground distribution line transformers and pole type and underground voltage regulators owned by the utility, for use in transforming electricity to the voltage at which it is to be used by the customer, and the cost of transformers held in reserve. The installation cost includible herein is the first installation only.
B. When a transformer is permanently retired from service, the installed cost thereof shall be credited to this account.
C. The records covering line transformers shall be so kept that the utility can furnish the number of transformers of various types and capacities in service and those in reserve, and the location and the use of each transformer.

ITEMS
1. Installation, labor of (first installation only)
2. Network protectors, installed
3. Transformers, line and network
4. Transformer cut-out boxes, installed
5. Transformer lightning arresters, installed
6. Voltage regulators

Note A: The cost of removing and resetting line transformers shall not be charged to this account but to account 1762, Operation Labor, or account 1765, Labor on Street Lighting and Signal Systems, as appropriate. The cost of line transformers used solely for street lighting or signal systems shall be included in account 1363, Street Lighting and Signal Systems.

Note B: When a line transformer is rewound or when the cores and coils are replaced, its entire cost shall be credited to this account and charged to the depreciation reserve. The rewound transformer (or one wherein cores and coils were replaced) shall be charged to this account at the cost of an equivalent new transformer. There shall then be credited to the depreciation reserve as salvage the difference between the cost of an equivalent new transformer and the cost of such rewinding or new cores and coils.

Note C: Minor items, such as cut-out boxes, network protectors, lightning arresters, etc., shall be included in this account only when in service or associated with a line transformer or voltage regulator held in reserve; otherwise they shall be carried in account 1131, Materials and Supplies.

D C 1360. Meters
A. This account shall include the cost installed of meters or devices and appurtenances thereto, for use in measuring the electricity delivered to its users, and the cost of meters held in reserve. The
installation cost includible herein is the first installation only.

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

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

ITEMS

1. Meters
2. Current limiting devices
3. Demand indicators
4. Instrument transformers
5. Meter badges and their attachments, installed
6. Testing new meters
7. Installation, labor of (first installation only)
8. Meter boards and boxes, installed
9. Meter fittings and materials used in installation
10. Meter switches and cut-outs, installed
11. Protective devices, installed

Note A: This account shall not include meters for recording output of a generating station, substation meters, etc. It includes only meters for use to record energy delivered to customers.

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

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

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

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

D C 1361. Installations on Customers' Premises

This account shall include the cost installed of equipment on the customer's side of a meter when the utility incurs such cost and when the utility retains title to and assumes full responsibility for maintenance and replacement of such property. This account shall not include equipment leased to customers. (See account 1362, Leased Property on Customers' Premises.)

ITEMS

1. Cable vaults
2. Commercial lamp equipment
3. Foundations and settings specially provided for equipment included herein
4. Frequency changer sets
5. Motor generator sets
6. Motors
7. Switchboard panels, high or low tension
8. Wire and cable connections to incoming cables

Note: Do not include in this account any costs incurred in connection with merchandising, jobbing, or contract work activities.
D C 1362 Leased Property on Customers' Premises
This account shall include the cost of electric motors, transformers, and other equipment on customers' premises (including municipal corporations), leased to customers, but not including property held for sale.

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

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

D C 1363. Street Lighting and Signal Systems
This account shall include the cost installed of equipment used wholly for public street and highway lighting or traffic, fire alarm, police, and other signal systems.

ITEMS
1. Armored conductors, buried or submarine, including insulators, insulating materials, splices, trenching, etc.
2. Automatic control equipment
3. Conductors, overhead or underground, including lead or fabric covered, parkway cables, etc., including splices, insulators, etc.
4. Conduit runs used solely for street lighting or signal systems, not including ducts in a bank, part of which is used or held for use for other purposes
5. Lamps, arc, incandescent, or other types, including glassware, suspension fixtures, brackets, etc.
6. Municipal inspection
7. Ornamental lamp posts
8. Pavement disturbed, including cutting and replacing pavement, pavement base, and sidewalks
9. Permits
10. Poles and towers and appurtenant attachments
11. Posts and standards
12. Protection of street openings
13. Relays or time clocks
14. Series contactors
15. Switches
16. Transformers, pole or underground
17. Transformers, rectifiers, and other special station equipment devoted exclusively to street lighting and signal systems

GENERAL PLANT

D C 1370. Land and Land Rights
This account shall include the cost of land and land rights used for electric plant purposes, the cost of which is not properly includible in other land and land rights accounts. (See electric plant instruction ð 182.4.)

D C 1371. Structures and Improvements
This account shall include the cost in place of structures and improvements used for electric plant purposes, the cost of which is not properly includible in other structures and improvements accounts. (See electric plant instruction ð 182.5.)

D C 1372. Office Furniture and Equipment
A. This account shall include the cost installed of all office furniture and equipment owned by the utility and devoted to electric
service, and not permanently attached to buildings. Articles of slight value or short service life acquired subsequent to the commencement of operations shall be charged to the appropriate operating expense account and not to this account.

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

ITEMS

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

D C 1373. Transportation Equipment

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

1373.1 Vehicles
1373.2 Garage and Repair Equipment

ITEMS

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

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

D C 1379. Other General Equipment

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

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

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

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

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

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

Note A: General equipment of the nature indicated above whenever practicable shall be assigned to the electric plant accounts on a functional basis. Thus, to illustrate, laboratory equipment used at the power generating station only, shall be included in account 1312, 1323 or 1332, as applicable.

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

D C 1390. Other Tangible Property

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

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

SURPLUS ACCOUNTS

CREDITS

D C 1400. Credit Balance Transferred from income Account

D C 1401. Miscellaneous Credits to Surplus

DEBITS

D C 1410. Debit Balance Transferred from Income Account

D C 1411. Dividend Appropriations--Preferred Stock

D C 1412. Dividend Appropriations--Common Stock

D C 1413. Miscellaneous Reservations of Surplus

D C 1414. Miscellaneous Debits to Surplus

(Total of surplus accounts to be carried as balance sheet account 1271)

CREDITS

D C 1400. Credit Balance Transferred from Income Account

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

D C 1401. Miscellaneous Credits to Surplus

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

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

(2) Delayed income, operating revenue, and operating expense credits as provided in general instruction, section 181.4

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

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

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

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

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

DEBITS

D C 1410. Debit Balance Transferred from Income Account
This account shall include the net debit balance transferred from the income account for the year.

D C 1411. Dividend Appropriations--Preferred Stock
D C 1412. Dividend Appropriations--Common Stock
A. These accounts shall include amounts declared payable out of surplus or earnings as dividends on outstanding capital stock issued by the utility.
B. Dividends shall be segregated as to those payable in cash and otherwise. If not payable in cash, the medium of payment shall be described with sufficient particularity to identify it.
C. This account shall be so kept or supported as to show separately the dividends on each class and series of stock.

D C 1413. Miscellaneous Reservations of Surplus
A. This account shall include the reservations or appropriations of surplus for purposes not provided for elsewhere in this system of accounts.
B. The entries to this account shall show the nature of each reservation of surplus.

D C 1414. Miscellaneous Debits to Surplus
A. This account shall include amounts chargeable to surplus not provided for elsewhere. Among the items which shall be charged hereto are:
   (1) Amounts charged to surplus to cover past accrued depreciation and amortization not provided for;
   (2) Decline in value of investments (See account 1114);
   (3) Delayed income, operating revenue, and operating expense debits as provided in general instruction section 181.4;
   (4) Payments of amounts previously credited to surplus;
   (5) Losses on reacquirement of the utility's securities (See accounts 1152 and 1153);
   (6) Losses which are not properly chargeable to operating expenses or income and for which reserves have not been provided.
B. All items included in this account shall be sufficiently described in the entries relating thereto as to identify them with all accounts affected, and if the charges relate to prior years, the amount applicable to each year shall be shown.

INCOME ACCOUNTS

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

UTILITY OPERATING INCOME
   ELECTRIC OPERATING INCOME

Operating Revenue
D C 1501. Operating Revenues (subdivided into accounts 1600-1615)
Operating Revenue Deductions
D C 1502. Operation and Maintenance (subdivided into accounts 1700-1811)
D C 1503. Depreciation
Total Operating Expenses
D C 1505. Amortization of Electric Plant Acquisition Adjustments
D C 1506. Property Losses Chargeable to Operations
D C 1507. Operating Taxes
  Total Operating Revenue Deductions
    Net Operating Revenues
D C 1508. Income from Electric Plant Leased to Others
  Electric Operating Income
  OTHER UTILITY OPERATING INCOME
D C 1509. Other Utility Operating Income
  Total Utility Operating Income
  OTHER INCOME
D C 1510. Income from Non-utility Operations
D C 1523. Dividend Revenues
D C 1524. Interest Revenues
D C 1526. Miscellaneous Non-operating Income
  Total Other Income
  Gross Income
  INCOME DEDUCTIONS
D C 1530. Interest on Long-term Debt
D C 1531. Amortization of Debt Discount and Expense
D C 1532. Amortization of Premium on Debt-Credit
D C 1534. Interest on Debt to Associated Companies
D C 1535. Other Interest Charges
D C 1536. Interest Charged to Construction-Credit
D C 1538. Miscellaneous Income Deductions
D C 1539. Income Taxes
  Total Income Deductions
  Net Income
  DISPOSITION OF NET INCOME
D C 1540. Miscellaneous Reservations of Net Income Balance Transferred to Surplus
  ELECTRIC OPERATING INCOME
D C 1501. Operating Revenues
  Under this caption shall be included the total operating revenues credited to the revenue accounts 1600 to 1615, derived by the utility from its electric operations during the period covered by the income account.
D C 1502. Operation and Maintenance
  Under this caption shall be included the total expenses shown in accounts 1700 to 1811, incurred by the utility in its electric operations during the period covered by the income account.
D C 1503. Depreciation
  A. This account shall include the depreciation expense applicable to electric operations, on plant carried in accounts 1101 and 1106, for the period covered by the income account, except such depreciation expense as is charged to clearing accounts or to construction work in progress.
  B. Class C utilities shall keep supporting records to show the amount of depreciation charges applicable to each electric plant account.
D C 1505. Amortization of Electric Plant Acquisition Adjustments
  This account shall be debited or credited, as the case may be, with amounts which the commission shall have determined are includible in operating revenue deductions for the purpose of providing for the extinguishment of the amount in account 1105, Electric Plant Acquisition
Adjustments. Account 1252, Reserve for Amortization of Electric Plant Acquisition Adjustments, shall be concurrently credited or debited.

D C 1506. Property Losses Chargeable to Operations
This account shall be charged with amounts credited to account 1146, Miscellaneous Deferred Debits, when the commission has authorized an extraordinary loss included in the latter account to be written off by charges to operations.

D C 1507. Operating Taxes
A. This account shall include the amount of Federal, State, county, municipal and other taxes, including payroll taxes (but excluding taxes on net income, excess profits, undivided profits, excess dividends, or capital stock) which are properly chargeable to electric operations, and except taxes includible in account 1789, Merchandising, Jobbing and Contract Work, or in clearing accounts. (See account 1228, Taxes Accrued.)
B. This account shall be charged each month with the amount of taxes which are applicable thereto, and concurrent credits shall be made to account 1228, Taxes Accrued. (See also account 1132, Prepayments.)
C. Taxes assumed by the utility on property leased from others for use in electric operations shall be considered as additional rent and so charged.
D. This account shall be so kept as to show the amount of each kind of tax, and the basis upon which each charge is made.

Note: The following items shall not be charged to this account but shall be treated as specified below:
(1) Gasoline or other sales taxes shall be added to the cost of the materials on which levied
(2) Taxes chargeable to other utility operations shall be assigned to such operations; taxes applicable to non-utility operations shall be charged to account 1521, Income from Non-utility Operations
(3) Annual or more frequent payments under the terms of franchises, shall be included in account 1805, Franchise Requirements
(4) Special assessments for street and similar improvements shall be included in the electric plant account in which the property with which the taxes are identified is included
(5) Taxes applicable to electric construction shall be charged to account 1103, Construction Work in Progress; taxes on labor charged to cost of removal shall be charged to account 1250, Reserve for Depreciation of Utility Plant
(6) Taxes on net income, excess profits, undivided profits, excess dividends, or capital stock, shall be charged to account 1539, Income Taxes

D C 1508. Income from Electric Plant Leased to Others
A. This account shall include all rental income from electric property leased by the utility to others, and which property is included in account 1102, Electric Plant Leased to Others.
B. This account shall be subdivided as follows:
   1508.1 Revenues from Electric Plant Leased to Others
   1508.2 Expenses of Electric Plant Leased to Others
C. This account shall be so kept or supported as to show separately the following for each lease:
   1. Rentals
   2. Expenses
   3. Depreciation
4. Taxes
5. Uncollectible rents

D C 1509. Other Utility Operating Income

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

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

OTHER INCOME

D C 1521. Income from Non-utility Operations
A. This account shall include the revenues derived from and the expenses incurred in non-utility operations.
B. The expenses shall include every element of cost (except return on investment) incurred in such operations, including depreciation, rents, taxes, insurance, etc.

D C 1523. Dividend Revenues
This account shall include the revenues derived by the utility from dividends on stocks of other companies.

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

D C 1524. Interest Revenues
This account shall include interest revenues on investments, loans, notes, advances, special deposits, etc.

D C 1526. Miscellaneous Non-operating Income
This account shall include all revenue items properly includible in the income account other than from operations (utility and non-utility), interest, or dividends. It shall also include all expenses incurred in connection with such revenues.

INCOME DEDUCTIONS

D C 1530. Interest on Long-term Debt
A. This account shall include in each accounting period the amount of interest applicable thereto on outstanding long-term debt issued or assumed by the utility, the liability for which is included in account 1210, Bonds, account 1211, Receivers' Certificates, or account 1213, Miscellaneous Long-term Debt. No interest shall be accrued on required debt carried in account 1153, Reacquired Long-term Debt.
B. Amounts charged to this account shall be credited to account 1229, Interest Accrued.
C. This account shall be so kept or supported by other records as to show the interest accruals on each class and series of long-term debt.

D C 1531. Amortization of Debt Discount and Expense
This account shall include in each accounting period the portion of unextinguished debt discount and expense on outstanding long-term debt which is applicable to such period. The amount shall be computed as provided in account 1140, Unamortized Debt Discount and Expense, to which account concurrent credit shall be made.

D C 1532. Amortization of Premium on Debt--Credit
This account shall include in each accounting period the portion of unextinguished premium (or premium less expenses, when a net credit) on outstanding long-term debt which is applicable to such period. The amount shall be computed as provided in account 1240, Unamortized
Premium on Debt, to which account concurrent debit shall be made.

D C 1534. Interest on Debt to Associated Companies
A. This account shall include in each accounting period interest on debt to associated companies and shall be so kept as to show the amount of interest on each such debt.
B. Amounts charged to this account shall be credited to account 1214, Debts to Associated Companies.

D C 1535. Other Interest Charges
This account shall include in each accounting period all interest not provided for in account 1530 or 1534, and shall be so kept as to show the amount of interest charges on each debt.

D C 1536. Interest Charged to Construction--Credit
When interest is charged to construction in accordance with electric plant instruction, paragraph (7) of subdivision (a) of section 182.3, concurrent credit shall be made to this account.

D C 1538. Miscellaneous Income Deductions
This account shall include miscellaneous debits to income not provided for elsewhere.

ITEMS
1. Decline in value of investments
2. Donations
3. Expenditures for associated companies for which the utility will not be reimbursed
4. Charges not includible in account 1505, Amortization of Electric Plant Acquisition Adjustments, to write off amounts in account 1105, Electric Plant Acquisition Adjustments, and other items being written off which are not elsewhere provided for
5. Penalties or fines for violations of law
6. Expenses in connection with interest and dividend revenues
7. Taxes assumed on interest

D C 1539. Income Taxes
This account shall include taxes on net income, excess profits, undivided profits, excess dividends, and capital stock.

DISPOSITION OF NET INCOME

D C 1540. Miscellaneous Reservations of Net Income
A. This account shall include reservations of net income, such as may be required under the terms of mortgages, deeds of trust, orders of a court, contracts, or other agreements, and other reservations of net income.
B. Amounts charged to this account shall be credited concurrently to the appropriate reserve account.
C. The entries in this account shall show the nature of each reservation of income.

OPERATING REVENUE ACCOUNTS
SALES OF ELECTRIC ENERGY

D C 1600. Residential Sales
D C 1602. Commercial and Industrial Sales
D C 1603. Public Street and Highway Lighting
D C 1604. Other Sales to Public Authorities
D C 1605. Sales to Other Electric Utilities
D C 1606. Sales to Railroads and Railways
D C 1607. Interdepartmental Sales
D C 1608. Other Sales

OTHER ELECTRIC REVENUES
DC 1610. Rent from Electric Operating Property
DC 1612. Customers' Forfeited Discounts
DC 1613. Sales of Water and Water Power
DC 1614. Servicing of Customers' Installations
DC 1615. Miscellaneous Electric Revenues

SALES OF ELECTRIC ENERGY

DC 1600. Residential Sales
A. This account shall include revenues from electric energy supplied to residential customers, including farm customers supplied under residential rates, and to religious bodies.
B. When electric energy supplied through a single meter is used for both residential and commercial purposes, the total revenue shall be included in this account or in account 1602, Commercial and Industrial Sales, according to the principal use.

DC 1602. Commercial and Industrial Sales
A. This account shall include revenues from electric energy supplied for commercial and industrial purposes.
B. When electricity supplied through a single meter is used for both commercial and residential purposes, the total revenue shall be included in this account or in account 1600, Residential Sales, according to the principal use.

DC 1603. Public Street and Highway Lighting
This account shall include revenues from electric energy supplied and services rendered for the purpose of lighting streets, highways, parks and other public places for municipalities or other divisions or agencies of State or Federal governments.

DC 1604. Other Sales to Public Authorities
This account shall include the revenues from electric energy supplied to municipalities or divisions or agencies of federal or state governments, under special contracts or agreements or service classifications applicable only to public authorities, except such revenues as are includible in account 1603 and 1605.

DC 1605. Sales to Other Electric Utilities
A. This account shall include revenues from electric energy supplied to other electric utilities or to public authorities for distribution to others. (See also account 1738, Electricity Purchased.)
B. Revenues from electric energy supplied to other public utilities for use by them and not for distribution shall be included in account 1602, Commercial and Industrial Sales, unless supplied under the same contract as and not readily separable from revenues includible in this account.

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

DC 1606. Sales to Railroads and Railways
This account shall include revenues from electric energy supplied to railroads, and interurban and street railways, for general railroad use, including the propulsion of cars or locomotives, when such energy is supplied under separate and distinct contracts or service classifications.

Note: Revenues from electricity supplied to railroads or street
railways for other purposes shall be credited to account 1602, unless supplied under the same contract as and not readily separable from revenues includible in this account.

D C 1607. Interdepartmental Sales
A. This account shall include the total amounts charged to other departments of the utility by the electric department for energy supplied by the latter.
B. The utility shall be prepared to furnish the basis and the computations of the charges to other departments.

D C 1608. Other Sales
This account shall include revenues derived from electric energy supplied users and which are not properly includible in revenue accounts 1600 to 1607, inclusive, including private street lighting.

OTHER ELECTRIC REVENUES

D C 1610. Rent from Electric Operating Property
A. This account shall include rents for the use by others of land, buildings and other property devoted to electric operations by the utility. This covers such matters as rent from pole attachments, buildings, stations, land, etc.
B. This account shall be so kept as to show the nature of the property for which rent was received and the basis of the charges for the use thereof.

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

D C 1612. Customers' Forfeited Discounts
This account shall include the amounts which the utility allows its customers on condition that they pay their electric bills on or before a specified date and which are forfeited because of failure to pay within the specified time.

D C 1613. Sales of Water and Water Power
A. This account shall include revenues derived from the sale of water for irrigation, domestic, industrial or other uses, or for the development by others of water power; also, revenues derived from furnishing water power for mechanical purposes when the investment in the property used in supplying such water or water power is carried in account 1101, Electric Plant in Service.
B. The records for this account shall be so kept as to permit an analysis of the rates charged and the purposes for which the water was used, such as public water supply, development of electricity by other utilities, industrial uses, irrigation, etc.

Note: This account shall be used only when water or mechanical power is actually delivered to the customers' premises. When electricity is generated on the utility's premises, the revenue therefrom shall be credited to the appropriate account for sales of electric energy.

D C 1614. Servicing of Customers' Installations
This account shall include revenues accruing to the utility from charges to customers on account of the maintenance of appliances, wiring, piping, or other installations on customers' side of meters.

D C 1615. Miscellaneous Electric Revenues
This account shall include revenues derived from electric operations not includible in any of the foregoing accounts. This covers such items as fees and charges for changing, connecting and disconnecting service, profit on the sale of unused materials and supplies not ordinarily
purchased for resale, commissions on sales or distribution of others' electric energy (sold under rates filed by such others), management or supervision fees, sale of steam (except when the utility furnishes steam-heating service), and rentals from property included in account 1362, Leased Property on Customers' Premises.

**OPERATION AND MAINTENANCE ACCOUNTS**

**PRODUCTION EXPENSES**

Note: If the utility generates electricity in two or more plants or by two or more processes, separate production expense accounts shall be kept for each plant or process.

<table>
<thead>
<tr>
<th>Account</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>D 1700</td>
<td>Supervision of Labor</td>
</tr>
<tr>
<td>C 1701</td>
<td>Supervision</td>
</tr>
<tr>
<td>C 1702</td>
<td>Operation Labor</td>
</tr>
<tr>
<td>C 1703</td>
<td>Maintenance Labor</td>
</tr>
<tr>
<td>D C 1710</td>
<td>Fuel</td>
</tr>
<tr>
<td>D C 1720</td>
<td>Water Purchased for Power</td>
</tr>
<tr>
<td>D 1730</td>
<td>Materials, Supplies and Expenses</td>
</tr>
<tr>
<td>C 1731</td>
<td>Operation Supplies and Expenses</td>
</tr>
<tr>
<td>C 1732</td>
<td>Maintenance Materials, Supplies and Expenses</td>
</tr>
<tr>
<td>D C 1735</td>
<td>Rents</td>
</tr>
<tr>
<td>D C 1736</td>
<td>Steam Purchased</td>
</tr>
<tr>
<td>D C 1738</td>
<td>Electricity Purchased</td>
</tr>
<tr>
<td>D C 1740</td>
<td>Other Production Expenses</td>
</tr>
<tr>
<td>D C 1742</td>
<td>Steam Produced--Credit</td>
</tr>
</tbody>
</table>

**TRANSMISSION AND DISTRIBUTION EXPENSES**

<table>
<thead>
<tr>
<th>Account</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>D 1760</td>
<td>Supervision and Labor</td>
</tr>
<tr>
<td>C 1761</td>
<td>Supervision</td>
</tr>
<tr>
<td>C 1762</td>
<td>Operation Labor</td>
</tr>
<tr>
<td>C 1763</td>
<td>Labor on Customers' Premises</td>
</tr>
<tr>
<td>C 1764</td>
<td>Maintenance Labor</td>
</tr>
<tr>
<td>C 1765</td>
<td>Labor on Street Lighting and Signal Systems</td>
</tr>
<tr>
<td>D 1770</td>
<td>Materials, Supplies and Expenses</td>
</tr>
<tr>
<td>C 1771</td>
<td>Operation Supplies and Expenses</td>
</tr>
<tr>
<td>C 1772</td>
<td>Maintenance Materials, Supplies and Expenses</td>
</tr>
<tr>
<td>C 1773</td>
<td>Street Lighting and Signal System Materials, Supplies and Expenses</td>
</tr>
<tr>
<td>D C 1776</td>
<td>Rents</td>
</tr>
</tbody>
</table>

**CUSTOMERS' ACCOUNTING AND COLLECTING EXPENSES**

<table>
<thead>
<tr>
<th>Account</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>D 1780</td>
<td>Meter Reading, Accounting and Collecting</td>
</tr>
<tr>
<td>C 1781</td>
<td>Meter Reading</td>
</tr>
<tr>
<td>C 1782</td>
<td>Accounting and Collecting</td>
</tr>
<tr>
<td>D C 1783</td>
<td>Uncollectible Accounts</td>
</tr>
<tr>
<td>D C 1784</td>
<td>Rents</td>
</tr>
</tbody>
</table>

**SALES PROMOTION EXPENSES**

<table>
<thead>
<tr>
<th>Account</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>D C 1786</td>
<td>Sales Expenses</td>
</tr>
<tr>
<td>D C 1789</td>
<td>Merchandising, Jobbing and Contract Work</td>
</tr>
</tbody>
</table>

**ADMINISTRATIVE AND GENERAL EXPENSES**

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

PRODUCTION EXPENSES

Note: If the utility generates electricity in two or more plants or by two or more processes, separate production expense accounts shall be kept for each plant or process.

D 1700. Supervision and Labor
This account shall include items provided for in accounts 1701, 1702 and 1703.

C 1701. Supervision
This account shall include the cost of supervising and directing the operation and maintenance of generating stations.

C 1702. Operation Labor
This account shall include the pay of employees for the time during which they are engaged in operating the production plant.

C 1703. Maintenance Labor
This account shall include the pay of employees or others for the time during which they are engaged in making repairs to the production plant. This includes, in addition to labor on actual repairs, such work as routine inspection and testing, replacing or adding minor items of plant (see electric plant instruction ô 182.2, subd. (c)), testing for, locating and clearing trouble, restoring the condition of damaged property, etc., but not replacing items of property designated as "units of property."

D C 1710. Fuel
A. This account shall include the cost delivered at stations of coal, oil, gasoline, gas, or other fuel used in the production of electric energy. It shall also include the net cost of, or amount realized from, the disposal of ashes.

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

D C 1720. Water Purchased for Power
This account shall include the cost of water purchased for hydraulic power generation.

ITEMS

1. Cost of water purchased from others
2. Periodic payments for licenses or permits from any governmental agency for water rights
3. Periodic payments for riparian rights

Note: Exclude from this account and include in account 1731, Operation Supplies and Expenses, water purchased for condensers, and for cooling engines, and for general station use.

D 1730. Materials, Supplies and Expenses
This account shall include items provided for in accounts 1731 and
1732.

C 1731. Operation Supplies and Expenses
This account shall include the cost of all supplies, tools, etc., used, and miscellaneous expenses incurred, in generating stations, but not repair materials, parts, etc.

ITEMS
1. Boiler inspection fees
2. Dynamo brushes
3. Fireroom tools
4. Gauge glasses
5. Hand hole gaskets
6. Heat
7. Light
8. Log sheets and charts
9. Manhole gaskets
10. Meter supplies
11. Packing
12. Steam and air hose
13. Tools (hand)
14. Washers
15. Waste
16. Water for steam generation, for condensers, for cooling engines, for fire protection and for general station use
17. Wipers
Note: Exclude herefrom and include in account 1732 supplies and expenses in connection with repairs to the generating station.

C 1732. Maintenance Materials, Supplies and Expenses
This account shall include materials and supplies used and expenses incurred in repairing and maintaining the generating stations.

ITEMS
1. Bills from others for repairs, inspection, adjustment or other maintenance of plant, structures or equipment
2. Materials and supplies used in making repairs, adding or replacing minor items of property (see electric plant instruction ø 182.2, subd. (c))
3. Minor items added to plant
4. Transportation, shop and store expenses, if clearing accounts are used
Note: Materials recovered in connection with repair and maintenance work which is charged to this account, shall be credited hereto; repairing such materials for reuse shall be charged hereto.

D C 1735. Rents
A. This account shall include all rents for property of others used, occupied, or operated in connection with the generation of electricity. Taxes paid on such property shall be charged hereto. (See also electric plant instruction ø 182.8.)
B. If the leased property is used by more than one department of the utility, the rental (and taxes) shall be apportioned to the departments making use of the property on an equitable basis. If a portion of the rented property is subleased, the revenue therefrom shall be included in account 1610, Rent from Electric Operating Property.

D C 1736. Steam Purchased
This account shall include the cost of steam purchased for use in steam engines and turbines devoted to the production of electricity; and
also charges for steam transferred to electric generation from another operating department of the company.

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

D C 1738. Electricity Purchased
A. This account shall include the cost at the point of delivery to the utility of electricity purchased for resale, including charges for readiness to serve. This account shall be so kept as to show the following:
(1) Readiness to serve or "standby" charges when determinable
(2) Firm power purchased
(3) Dump or surplus power purchased
B. The records shall also show, by months, the demands and demand charges and kilowatt-hours and prices thereof under each purchase contract.
C. When electricity is interchanged with others, this account shall show the gross amount which would be payable for electricity received if no electricity had been furnished to the person supplying the electricity, and the gross amount which would be receivable if no electricity were received from the person to whom electricity was supplied.

D C 1740. Other Production Expenses
This account shall be charged with any production expenses, including expenses incurred directly in connection with the purchase of power, which are not specifically provided for in the other production expense accounts.

D C 1742. Steam Produced--Credit
This account shall include credits for steam produced in the electric department and transferred to another operating department of the utility, except when such production is treated as a joint facility, in which case it shall be accounted for as provided in accounts 1808-1809.
Note A: The utility shall keep records to show the basis for determining the amounts to be credited to this account.
Note B: The accounting for steam used by the electric department itself shall be in accordance with operating revenue instruction 183.5.

TRANSMISSION AND DISTRIBUTION EXPENSES
D 1760. Supervision and Labor
This account shall include items provided for in accounts 1761 to 1765.

C 1761. Supervision
This account shall include the cost of supervising and directing the operation and maintenance of the transmission and distribution systems.
C 1762. Operation Labor
This account shall include the pay of employees for the time during which they are engaged in operating the transmission and distribution systems, except labor on work on customers' premises (chargeable to account 1763) and labor on street lighting and signal systems (chargeable to account 1765). (See also note hereunder.)
ITEMS

1. Clearing brush and other refuse along rights of way
2. Cleaning ducts, manholes, sewers, etc.
3. Inspecting, testing, removing and resetting line transformers, except the first setting of a transformer (See account 1358.)
4. Keeping maps and other records of transmission and distribution lines
5. Load dispatching
6. Operation of substations
7. Patrolling and testing lines
8. Trimming trees along rights of way
9. Transportation
10. Voltage surveys

Note: Maintenance labor shall be included in account 1763 or 1764 as appropriate.

C 1763. Labor on Customers' Premises
This account shall include the pay of employees for the time during which they are engaged in inspecting, testing, repairing, removing and resetting or changing the location of meters or instrument transformers and accessory equipment located on customers' premises, investigating service complaints, and also lamp service and other work on customers' premises.

Note: The cost of the first installation of a meter shall not be charged to this account but to electric plant account 1360, Meters.

C 1764. Maintenance Labor
This account shall include the pay of employees engaged in repairing and maintaining transmission and distribution substations and overhead and underground lines, including line transformers and devices, but not meters or street lighting and signal systems.

ITEMS

1. Cutting and replacing pavement, pavement base, and sidewalks in connection with repairs
2. Inspecting and testing after repairs have been made
3. Inspecting, testing and reporting on the condition of lines to determine the need for repairs, minor replacements and changes
4. Replacing or adding minor items of plant (See electric plant instruction 6 182.2, subd. (c).)
5. Repairing materials for reuse
6. Restoring the condition of damaged line property (See notes below.)
7. Routine work to prevent trouble, such as pulling up slack, tightening guys and raking guy stubs, straightening poles and crossarms, etc.
8. Testing for, locating, and clearing line trouble
9. Training employees for line maintenance work

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

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

C 1765. Labor on Street Lighting and Signal Systems
This account shall include the pay of employees for the time during which they are engaged in work on the street lighting and signal systems, including traffic, fire, and police signal systems.
1. Clearing brush and other refuse
2. Cleaning ducts, manholes, and sewers
3. Cleaning fixtures
4. Renewing of lamps
5. Repairs to system
6. Restoring the condition of damaged property (See note below.)
7. Routine inspection and tests
8. Testing lines and clearing trouble
9. Trimming trees
10. Voltage surveys
11. Transportation

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

D 1770. Materials, Supplies and Expenses
This account shall include items provided for in accounts 1771, 1772 and 1773.

C 1771. Operation Supplies and Expenses
This account shall include the cost of all supplies, tools, etc., used and miscellaneous expenses incurred in operating the transmission and distribution systems, except materials, supplies and expenses used in maintenance and on the street lighting and signal systems.

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

C 1772. Maintenance Materials, Supplies and Expenses
This account shall include the cost of materials and supplies used and expenses incurred in repairing and maintaining transmission and distribution system property, except the street lighting and signal systems, but including materials and supplies used and expenses incurred in work on customers' premises.

ITEMS

1. Crossarms, braces, anchors, pins, bolts, pole steps, and other pole repair materials
2. Meter repair materials
3. Minor items added to plant
4. Oil for transformers
5. Paving repair materials
6. Replacing cut-out boxes and lightning arresters
7. Transportation, shop and stores expenses if clearing accounts are used
8. Wire and cable, lightning arresters, clamps, switches and other conductor repair materials
9. Work done by others

C 1773. Street Lighting and Signal System Materials, Supplies and Expenses
This account shall include the cost of materials and supplies used and expenses incurred in operating, repairing and maintaining the street lighting and signal systems, including traffic, fire, and police signal systems. This includes, in addition to materials and supplies used on repairs to street lighting and signal system property, such items as lamps, glassware, relays, time clocks, etc., but does not include the cost of replacing items designated as "units of property."
D C 1776. Rents
A. This account shall include all rents for property of others used, occupied, or operated in connection with the transmission or distribution system. Taxes paid on such property shall be charged hereto. (See also electric plant instruction ð 182.8.)
B. If the leased property is used by more than one department of the utility, the rental (and taxes) shall be apportioned on an equitable basis to the departments making use of the property. If a portion of the rented property is subleased, the revenue therefrom shall be included in account 1610, Rent from Electric Operating Property.

CUSTOMERS' ACCOUNTING AND COLLECTING EXPENSES
D 1780. Meter Reading, Accounting and Collecting
This account shall include items provided for in accounts 1781 and 1782 below.
C 1781. Meter Reading
This account shall include the pay of employees engaged in reading customers' meters, and the cost of supplies used and expenses incurred in connection therewith.

ITEMS
1. Badges
2. Forms for recording readings
3. Lamps
4. Meter readers, pay of
5. Transportation
6. Uniforms
C 1782. Accounting and Collecting
This account shall include the pay and expenses of employees engaged on customers' applications, contracts, orders, complaints, and inquiries, and in making credit investigations, billing, collecting customers' bills, and bookkeeping; and the cost of supplies used and expenses incurred in connection therewith.

ITEMS
1. Accounts, customers', keeping of
2. Address plates
3. Billing
4. Bookkeeping
5. Books
6. Cashier, pay of
7. Commissions, fees, or salaries of collectors
8. Delivery of bills
9. Disconnection for non-payment of bills
10. Office supplies
11. Postage
12. Stationery and printing
13. Statistical work on customers' accounts
14. Tabulating sales
15. Transportation
D C 1783. Uncollectible Accounts
This account shall be charged each month with amounts sufficient to provide for losses from uncollectible electric revenues. Concurrent credits shall be made to account 1254, Reserve for Uncollectible Accounts. Losses from uncollectible accounts shall be charged to such reserve.
D C 1784. Rents
A. This account shall include rents for property of others used, occupied, or operated in connection with customers' accounting and collecting, such as for a commercial office. Taxes paid on such property shall be charged hereto. (See also electric plant instruction 182.8.)

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

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

SALES PROMOTION EXPENSES

D C 1786. Sales Expenses

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

ITEMS

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

D C 1789. Merchandising, Jobbing and Contract Work

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

B. This account shall be subdivided as follows:

1789.1 Revenue from Merchandising, Jobbing and Contract Work
1789.2 Cost of Merchandising, Jobbing and Contract Work

ADMINISTRATION AND GENERAL EXPENSES

D C 1790. Salaries of General Officers

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

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

D C 1791. Other General Office Salaries

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

D C 1793. General Office Expenses

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

ITEMS

1. Books and periodicals for office use
2. Building service (not including rent)
3. Meals and hotel bills
4. Membership fees and dues in trade, technical and professional
associations
5. Office supplies
6. Postage
7. Printing
8. Stationery
9. Telephone, telegrams, etc.
10. Traveling expenses
D 1795. Special Services
A. This account shall include amounts payable to any corporation, firm or individual, other than officers and employees of the utility, for special services to the electric department for general supervision and management services and expenses, and for legal and other special services and expenses.

ITEMS

1. Services:
   (a) Auditing and accounting
   (b) Legal
   (c) Management
   (d) Rates
   (e) Secretarial
   (f) Statistical
   (g) Supervisory
2. Expenses:
   (a) Hotel
   (b) Meals
   (c) Printing
   (d) Stationery
   (e) Traveling

B. Class C utilities shall subdivide this account as follows:
   C 1795.1 Management and Supervision
   C 1795.2 Legal Services
   C 1795.3 Other Special Services
C. Records supporting this account shall be so kept as to show: (1) the basis of each fee, (2) the amount of the fee, and (3) the person to whom the fee is paid or payable.
   Note A: Legal or other special services in connection with formal cases before regulatory commissions, or in cases in which such a commission is a party, shall be charged to account 1797, Regulatory Commission Expenses, or when specifically applicable to injury or damage cases to account 1798, Insurance, Injuries and Damages, or other appropriate account.
   Note B: Legal or other special services incident to the construction of electric property shall be charged to the appropriate utility plant accounts. Legal services incident to the issuance of long-term debt or capital stock shall be charged to account 1140, Unamortized Debt Discount and Expense, account 1240, Unamortized Premium on Debt, or account 1151, Capital Stock Expense, as appropriate.
D 1797. Regulatory Commission Expenses
A. This account shall include all expenses (except pay of regular employees only incidentally engaged in such work), properly includible in electric operating expenses, incurred by the utility in connection with formal cases before regulatory commissions, or other regulatory bodies or cases in which such a body is a party, including payments made to a regulatory commission for fees assessed against the accounting
utility for pay and expenses of such commission, its officers, agents, and employees and also including payments to the United States for the administration of the Federal Power Act.

B. Amounts of regulatory commission expenses which are spread over future periods shall be charged to account 1146, Miscellaneous Deferred Debits, and amortized by charges to this account. (See general instruction 6 181.4.)

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

D. The costs which may be partly chargeable to this account and partly to the other accounts enumerated in notes A and B to account 1795 shall be equitably apportioned, and the basis of allocation to the several accounts shall be submitted to this commission.

ITEMS

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

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

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

Note B: Do not include in this account costs incident to the construction of electric property, which are chargeable to the tangible electric plant accounts. Costs incurred in connection with property purchases shall be accounted for as provided in paragraph D of account 1106, Unclassified Electric Plant. Costs incurred incident to the issuance of long-term debt shall be charged to account 1140, Unamortized Debt Discount and Expense, or account 1240, Unamortized Premium on Debt, as applicable; costs incurred incident to the issuance of capital stock shall be charged to account 1151, Capital Stock Expense.

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

D C 1798. Insurance, Injuries and Damages

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

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

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

(3) Other losses which occur in connection with electric operations, and payments and expenses on account of damages for non-performance of contractual obligations

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

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

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

Note B: The utility shall so keep its records as to show the amount of coverage for each class of insurance carried, the property covered, the applicable premiums, and the distribution of the costs to specific operations or functions. If the utility carries reserves for self-insurance, it shall keep records to show the types of losses against which such reserves are maintained, and the basis of the accruals to the reserves for each risk covered.

D C 1800. Other General Expenses

A. This account shall include such items of expense applicable to the electric department, not provided in other accounts, as the cost of publishing and distributing annual reports to stockholders; advertising notices of stockholders' meetings dividend and other corporate and financial notices of a general character; association dues; contributions for conventions and meetings of the industry; fees of transfer agents, registrars of stock and fiscal agents; director's fees; fees for filing annual reports and tariff schedules; commissions paid under agency sales contracts expenses incurred in accident, welfare, educational and recreational work; cost of life insurance for employees when the utility is not the beneficiary; pensions payable currently to retired employees or their beneficiaries and the cost of advance provision for pensions to be paid to retired employees or their beneficiaries, except payroll taxes, (see general instruction ð 181.12); cost of employees' relief and benefits; and any other miscellaneous expenses connected with the general management and not otherwise provided for.

B. This account shall not include any charges representing amounts used or to be used for the purchase of securities of the accounting company or any associated company, whether contributed by the accounting company or deducted from salaries and wages of employees, unless and until such amounts have actually been realized and paid to the employees in cash or its equivalent subject to their free disposition. To the extent that the securities thus purchased have an actual market value, the amounts paid for them may be carried meanwhile in account 1114 Miscellaneous Investments and Special Funds; otherwise such amounts shall be charged to account 1538, Miscellaneous Income Deductions. (See general instruction ð 181.7.)

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

Note B: No charges shall be made to this account or distributed to other accounts to cover advance provision for future pension payments, unless the controlling plan has been filed with the commission; and no charges shall be made in anticipation of discretionary pension payments
in the future.
Note C: Records shall be kept so that the amounts paid for pensions and the amounts paid as advance provision for future pensions can be readily determined.
Note D: Upon adoption of an accrual plan of accounting, pension payments to employees retired before the adoption of such plan shall be charged to an existing pension reserve until such reserve is exhausted, unless any such existing reserve is eliminated by payment of an equivalent amount into the pension trust fund.

D C 1802. Operation and Maintenance of General Property
This account shall include the cost of operating and maintaining general buildings and general office furniture and equipment.

D C 1803. General Rents
A. This account shall include rent, covering the property of others used, occupied, or operated in connection with the general and administrative functions of the utility, such as general offices. Taxes paid on such property shall be charged hereto. (See also electric plant instruction 6 182.8.)
B. If the leased property is used by more than one department of the utility, the rental (and taxes) shall be apportioned on an equitable basis to the departments making use of the property. If a portion of the rented property is subleased, the revenue therefrom shall be included in account 1610, Rent from Electric Operating Property.
Note: If the commercial office and the general office occupy space jointly and the allocation of the rental to each office is not practicable, the entire amount of such rental may be included in this account.

D C 1805. Franchise Requirements
A. This account shall include payments to municipal or other governmental authorities, and the cost of materials, supplies and services furnished such authorities without reimbursement in compliance with franchise, ordinance, or similar requirements, provided, however, that the utility may charge to this account at regular tariff rates, instead of cost, electricity furnished without charge under provisions of franchises.
B. When no direct outlay is involved, concurrent credits for such charges shall be to account 1806, Duplicate Charges--Credit.
Note A: Taxes shall not be charged to this account. (See account 1507, Operating Taxes.*
* So in original. Closing parentheses inadvertently omitted.
Note B: The cost of plant, supplies, etc., given as an initial consideration for a franchise running for more than one year shall be charged to account 1302, Franchises and Consents.

D C 1806. Duplicate Charges--Credit
A. This account shall include concurrent credits for charges which are made to account 1805, Franchise Requirements, to the extent that such charges do not represent direct outlays. It shall also include concurrent credits for charges made to operating expense or other accounts of the electric department for electricity or steam for heating for which there is no direct money outlay.
B. This account shall be so kept as to disclose the nature and amount of each item included herein.

D C 1807. Administrative and General Expenses Transferred--Credit
A. This account shall be credited with amounts recorded in the
administrative and general expenses which are properly includible in construction costs, covering the portion of the pay and expenses of general officers, clerks, and others when engaged on construction work.

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

Note: See electric plant instruction, paragraph (5) of subdivision (a) of section 182.3.

D C 1808. Joint Expenses--Debit
D C 1809. Joint Expenses--Credit

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

B. Amounts payable by the electric department to others or to a coordinate department for joint facilities used, occupied, or operated in connection with electric operations (except steam transferred from another operating department which shall be charged to account 1736, Steam Purchased) shall be charged to account 1808, Joint Expenses--Debit; amounts receivable under the arrangement shall be credited to account 1809, Joint Expenses--Credit.

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

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

D C 1810. Stores, Shop and Laboratory Expenses

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

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

Note A: The cost of repairs to transformers, meters and other plant made at the shop shall not be included herein but in the accounts appropriate for such maintenance. (See account 1763, Labor on Customers' Premises, account 1764, Maintenance Labor, and account 1765, Labor on Street Lighting and Signal Systems, and the applicable accounts for maintenance materials.)

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

D C 1811. Transportation Expenses

A. This account shall include the cost of labor employed and expenses incurred in the operation and maintenance of transportation equipment if such expenses are not allocated, either directly or through the medium of a clearing account, to the accounts benefited. For item list and optional accounting, see account 1903, Transportation Expenses--Clearing.
B. This account, when kept, shall include costs covered by the text and items listed in account 1903, Transportation Expenses--Clearing. Note: Transportation expenses applicable to construction shall not be included in operating expenses.

CLEARING ACCOUNTS
REQUIRED
D C 1901. Charges by Associated Companies--Clearing
OPTIONAL
1902. Store Expenses--Clearing
1903. Transportation Expenses--Clearing
1905. Shop and Laboratory Expenses--Clearing

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

D C 1901. Charges by Associated Companies--Clearing (Required)
A. This account shall include all charges made by associated companies against the utility for any purpose whatsoever (except interest), including charges for management, supervision, purchasing, construction, accounting, engineering, legal, financial, rent, advertising, materials and supplies, equipment and other property, commissions, taxes and other items, together with credits applicable thereto as provided in general instruction section 181.7.
B. This account shall be cleared by charging the appropriate accounts with the expenditures applicable thereto.
C. The records supporting this account shall be so kept as to show the nature of each charge together with the account or accounts to which each charge is cleared.

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

1902. Stores Expense--Clearing (Optional)
A. This account shall include the cost of labor and expenses incurred in the operation and maintenance of the storerooms (other than those identified only with a particular function) including storage, handling and distribution of materials and supplies.
B. Cash discounts shall be credited hereto when such discounts can not be applied to the cost of particular materials.
C. This account shall be cleared by adding to the cost of materials and supplies a suitable loading charge which will distribute the expense equitably over stores issues.

ITEMS
1. Adjustments of inventories of materials and supplies
2. Collecting and handling scrap materials in stores
3. Depreciation of storeroom equipment
4. Discount on materials, when not assignable to specific items
5. Freight, express, etc., when not assignable to specific items
6. Heat, light and power for storerooms and stores offices
7. Injuries and damages
8. Inspecting and testing materials and supplies, when not assignable to specific items
9. Insurance on materials and supplies and on stores equipment
10. Losses due to breakage, leakage, evaporation, fire and other causes. Credit any amounts received from insurance, transportation companies or others in compensation of such losses
11. Maintenance of stores equipment
12. Pay and expenses of storekeepers, clerks and others employed in storerooms or in store offices
13. Purchasing agents' fees, portion applicable to items carried through this account
14. Purchasing agents' pay and expenses, portion applicable to items carried through this account
15. Rents (See also electric plant instruction 182.8.)
16. Transporting materials into storehouse, when not assignable to specific items.

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

1903. Transportation Expenses--Clearing (Optional)
A. This account shall include the cost of labor and expenses incurred in the operation and maintenance of the electric general transportation equipment, including direct taxes and depreciation on transportation equipment.
B. This account shall be cleared by apportionment to operating expense, electric plant, or other accounts benefited on a basis which will distribute the expenses equitably. Credits to this account shall be made in such detail as to permit ready analysis.

ITEMS
1. Depreciation of transportation equipment
2. Feed and bedding for horses and mules
3. Fuel and lubricants for vehicles (including sales and excise taxes thereon)
4. Freight, express, drayage, etc., on fuel, repair parts, etc.
5. Heat, light and power for garage and garage office
6. Injuries and damages
7. Insurance on garage equipment and transportation equipment including public liability and property damage
8. License fees for vehicles and drivers
9. Maintenance of transportation and garage equipment
10. Operation of garages and stables
11. Pay and expenses of drivers, mechanics, etc.
12. Rent of garage buildings and grounds (See also electric plant instruction 182.8.)
13. Rent of vehicles and other rents
14. Taxes, direct, such as on gasoline, oil, tires, etc.
15. Tires, tubes and chains

1905. Shop and Laboratory Expenses--Clearing (Optional)
A. This account shall include the cost of labor and expenses incurred in the operation and maintenance of shops and laboratories of the utility, other than those identified wholly with a particular function.
B. This account shall be cleared by apportionment to operating expense, electric plant, or other accounts benefited on a basis which will distribute the expenses equitably. Credits to this account shall be made in such detail as to permit ready analysis.

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

ITEMS
1. Charts
2. Collecting and handling scrap materials
3. Depreciation of equipment
4. Heat, light and power
5. Injuries and damages
6. Insurance on equipment and supplies
7. Pay and expenses of superintendents, machinists, chemists and other employees in shops or laboratories
8. Rents (See also electric plant instruction ô 182.8.)
9. Repairs to equipment
10. Testing supplies

SUBCHAPTER F
ARTICLE 3
Municipal Electric Utilities

PART 195 Abstracts from Law
196 General Provisions
197 Instructions Accounts

PART 195
ABSTRACTS FROM LAW

(Statutory authority: Public Service Law, ôô 2(12), 66(4))

Sec.
195.1 Authority for uniform system of accounts
195.2 Electric plant defined

Section 195.1 Authority for uniform system of accounts. This uniform system of accounts for municipal electric utilities is established and issued by the Public Service Commission under the following provision of the Public Service Law (chapter 48 of the Consolidated Laws):

Section 66. The commission shall...4. "Have power, in its discretion, to prescribe uniform methods of keeping accounts, records and books, to be observed by gas corporations and electric corporations and by municipalities engaged in the manufacture, sale and distribution of gas and electricity for light, heat or power. It may also in its discretion prescribe, by order, forms of accounts, records and memoranda to be kept by such persons, corporations and municipalities. Notice of alterations by the commission in the required method or form of keeping a system of accounts shall be given to such persons or corporations by the commission at least six months before the same shall take effect. Any other and additional forms of accounts, records and memoranda kept by such corporations shall be subject to examination by the commission."

195.2 Electric plant defined. (a) The Public Service Law defines "electric plant" as follows:
Section 2, Subdivision 12. "The term 'electric plant,' when used in this chapter, includes all real estate, fixtures and personal property operated, owned, used or to be used for or in connection with or to facilitate the generation, transmission, distribution, sale or furnishing of electricity for light, heat or power; and any conduits,
ducts or other devices, materials, apparatus or property for containing, holding or carrying conductors used or to be used for the transmission of electricity for light, heat or power."

(b) Whenever the term "electric plant" is used in this system of accounts it shall be understood to have the inclusive meaning given it by the definition quoted above.

PART 196
GENERAL PROVISIONS
(Statutory authority: Public Service Law, ð 66(1),(4))

Sec. 196.0 Order authorizing uniform system of accounts for municipal electric utilities
196.1 Definitions
196.2 Records
196.3 Accounts to be kept by double entry method
196.4 Subdivisions of accounts
196.5 Account numbers not a part of title
196.6 Accounting period
196.7 Submission of questions
196.8 Classification of utilities
196.9 Applicability of accounts

Section 196.0 Order authorizing uniform system of accounts for municipal electric utilities.

(a) The uniform system of accounts for municipal electric utilities is hereby prescribed for every municipality operating an electric plant subject to the jurisdiction of this commission, and every such municipality be required and hereby is required, on and after March 1, 1936, to keep its records and accounts in conformity therewith, with the option of adopting and placing in effect such system of accounts at the beginning of the fiscal year of any municipality next preceding such date.

(b) Any municipality may, for purposes of comparison with prior years keep on its books, in addition to the accounts hereby prescribed, such portion or portions of its present accounts as may be deemed desirable.

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

(d) Each municipality 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 under the system of accounts followed prior to the adoption of the 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.

(2) Reserves or portions thereof existing at the effective date of this system of accounts which had been accumulated through charges to operating expenses wholly or partly to provide for retirement losses, depreciation, amortization, or replacement of fixed capital shall be
transferred to the accounts prescribed herein for depreciation and amortization reserves.

(e) Each municipality shall immediately proceed to redistribute the balances in its fixed capital accounts so as to bring the classification of such property into conformity with the operating property or other accounts prescribed in this system of accounts. Summary statements of the journal entries necessary for such redistribution shall be filed with the commission in triplicate not later than six months after the effective date of this uniform system of accounts. These statements shall be so arranged as to show:

(1) the closing balance of each fixed capital account under the system of accounts previously followed, 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.

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

196.1 Definitions.

(a) When used in this system of accounts:

(1) Accounts or these accounts means the accounts of this system of accounts.

(2) Actually issued as applied to securities means those which have been sold to bona fide purchasers for a valuable consideration (including those issued in exchange for other securities or other property) so that the purchasers secured them free from control by the issuing utility.

(3) Actually outstanding as applied to securities means those which have been actually issued and are neither retired nor held by or for the utility, and also securities held by trustees for sinking or other funds.

(4) Book cost means the amount at which property is recorded on the books of the utility without deduction of related reserve or reserves.

(5) Book liability means the amount at which a liability is recorded on the books of the utility.

(6) Book value when applied to operating property means the book cost (see par. (4) of this subd.) less related depreciation and amortization reserves. When applied to other property, the term means the book cost less reserves for loss in value.

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

(8) Cost means the amount of money actually paid for property or services, or the current money value of any consideration other than money.

(9) Cost of removal means the cost of demolishing, dismantling,
tearing down, or otherwise removing operating property, including the cost of transportation and handling incident thereto.

(10) Date of installation means the date at which operating property is ready for service.

(11) Date of retirement means the date at which operating property is withdrawn from service.

(12) Debt expense means all expense in connection with the issuance and sale of evidences of debt, such as fees for drafting legal papers in connection therewith; fees and taxes for issuing or recording evidences of debt; cost of engraving and printing bonds and certificates of indebtedness; fees paid trustees; specific costs of obtaining governmental authority; fees for legal services; costs of special elections called to pass on the question of issuance of debt; and other like costs.

(13) Depreciation as applied to depreciable operating property means the loss (or gain) in service value (see par. (39) of this subd.) not restored by current repairs, incurred in connection with the consumption or prospective retirement of operating property from causes inherent in current operations against which the utility is not protected by insurance, and the effect of which can be forecast with a reasonable approach to accuracy. Among the causes to be given consideration are wear and tear, decay, action of the elements, obsolescence, changes in the art, inadequacy, changes in demand, and requirements of public authority.

(14) Discount as applied to debt of the utility means the excess of the par value plus interest accrued at the date of the sale over the current money value of the consideration received.

(15) Distribution system. (See ō 197.35.)

(16) Electric operations or electric service means the service of supplying electricity, together with the generation, transmission, and distribution thereof, when such service is in whole or in part subject to the jurisdiction of the commission; and services incidental thereto.

(17) Electric plant. (See Abstracts from Law, ō195.2.)

(18) Group plan as applied to depreciation accounting means the plan under which depreciation charges are accrued upon the book cost of all depreciable property, regardless of the age of the particular items of that property, and upon the retirement of any depreciable property its entire service value is charged to the depreciation reserves whether or not the particular item has attained the average service life.

(19) Lessor municipality means a municipality owning, either solely or jointly, but not operating a municipal electric utility (see par. (23) of this subd.).

(20) Long term debt means obligations having a life of more than one year from date of creation of assumption, and all bonds.

(21) Minor items as applied to depreciable electric or general operating property means any part or element which is not designated as a unit of property (see par. (42) of this subd.).

(22) Municipality means a county, city, village, town, or lighting district organized as provided by a general or a special legislative act.

(23) Municipal electric utility means an electric plant (see Abstracts from Law, ō 195.2) operated and/or owned by a municipality or municipalities, which provides electric service (see par. (16) of this subd.) to others than the government of such municipality or
municipalities.

(24) Net salvage value means the salvage value (sec par. (37) of this subd.) of property retired after deducting the cost of removal.

(25) Nominally issued as applied to securities means those which have been signed, certified, or otherwise executed, and placed with the proper officer for sale, or pledged, but which have neither been sold nor issued direct to trustees of sinking funds in accordance with mortgage requirements.

(26) Nominally outstanding as applied to securities means those which, after being actually issued, have been reacquired by or for the utility but not retired, except those held for sinking or other funds.

(27) Non-operating property means all physical property owned by the municipality and definitely identified with and in the custody of or under the supervision of persons responsible for the operation of the municipal electric utility, which property is not used in electric operations or other operations under the jurisdiction of the commission but which it is not practicable to exclude from the books and financial statements of the municipal electric utility.

(28) Operating municipality means a municipality operating either solely or jointly a municipal electric utility (see par. (23) of this subd.).

(29) Operating property means the property, both tangible and intangible, which is used (see par. (43) of this subd.) for the purposes of supplying electric service or other service subject to the jurisdiction of the commission, and which has an expectation of life in service of more than one year from date of installation.

(30) Operating property--electric means the operating property used (see par. (43) of this subd.) by the municipal electric utility in the conduct of its electric operations (see par. (16) of this subd.) or leased to others for such operations.

(31) Operating property--general means the operating property used (see par. (43) of this subd.) in operations which cannot be definitely assigned to a particular department or class of operations subject to the jurisdiction of the commission. If the utility conducts more than one class of operations, the property used in common by two or more departments subject to the jurisdiction of the commission may be classified as Operating Property--General.

(32) Operating property--other operations means the operating property used (see par. (43) of this subd.) by the utility in the conduct of operations other than electric operations (see par. (16) of this subd.) which are subject to the jurisdiction of the commission.

(33) Original cost means the actual money cost (or the current money value of any consideration other than money) of property at the time when it was first devoted to the public service, whether by the accounting utility or by a predecessor public utility.

(34) Premium as applied to securities of the utility means the excess of the current money value of the consideration received at their sale over the sum of their par value and interest accrued at the date of their sale.

(35) Property retired as applied to operating property means property which has worn out, been removed, sold, abandoned, destroyed, or has become unserviceable, or unnecessary, or has been otherwise withdrawn from service.

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

(37) Salvage value means the amount received for property retired, if sold, less any expenses incurred in connection with such sale or in preparing the property for sale; or, if retained, the amount at which the material recovered is chargeable to account 123, Materials and Supplies, or other appropriate account.

(38) Service life means the period between the date of installation (see par. (10) of this subd.) of operating property and the date of its retirement. (See par. (11) of this sec.)

(39) Service value means the difference between the book cost (see par. (4) of this subd.) and the net salvage value (see par. (24) of this subd.) of operating property.

(40) Straight-line method as applied to depreciation accounting means the plan under which the service value (see par. (39) of this subd.) of property is charged to operating expense or other accounts and credited to the depreciation reserves through equal monthly charges as nearly as may be during its service life.

(41) Transmission system. (see par. (37) of this subd.)

(42) Units of property means those items of operating property which, when retired and replaced, are accounted for by crediting the book cost thereof to the operating property account in which it is included and charging to operating property the cost of the superseding property. (see 197.23, subd. (b) (1).)

(43) Used as applied to operating property means actually and necessarily in current service or ready for and reasonably required to be currently held for future service.

(44) Utility or the utility means the accounting municipal electric utility as defined in paragraph (23) of this subdivision.

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196.2 Records.
(a) Each utility (see 196.1, subd. (a) (44)) shall keep a complete set of accounting books concerning the electric plant and the operations thereof, separate and distinct from other municipal accounts and transactions, except that such books may also include the entries for any other property or operations subject to the jurisdiction of the commission; and all other books and records which support in any way the entries to such accounting books so that it can readily furnish at any time full information as to any account. Moreover, it shall support each entry to each account with such detailed information as will provide a ready analysis, identification, and verification of the facts recorded therein.

(b) The books referred to herein include not only books of account in a limited technical sense but all other records such as minute books, resolutions or ordinances or minutes of municipal bodies, records of elections relating to the municipal utility, and working papers, engineering studies, operating records, etc., which will be useful in developing the history of any transaction or authorization.

(c) Except as authorized by the commission, all operating, accounting, or financial papers, records, books, invoices, stubs, maps, or documents shall be retained permanently.

(d) All such records shall be accessible, at all times, to the authorized representatives of the commission at a location within the
State of New York.

196.3 Accounts to be kept by double entry method. All the accounts defined in this system of accounts must be kept by the double entry method.

196.4 Subdivisions of accounts. Subdivisions of any account in this system of accounts may be kept, and upon order of the commission shall be kept. The title of each such subdivision shall clearly indicate the account of which it is a part. When an account is subdivided in the general ledger, an account need not also be raised for the total of the subdivisions. When such subdivisions are carried in subsidiary ledgers, however, the general ledger shall contain the controlling accounts therefor so that a complete general ledger trial balance may be obtained.

196.5 Account numbers not a part of title. (a) The numbers prefixed to account titles herein are solely for convenience of reference and are not part of the titles.
(b) When the same account number or title is used in connection with more than one department of the municipality under the jurisdiction of the commission, there may be prefixed a letter to identify the account with the department to which it relates; for example, the letter E for electric, G for gas, etc.

196.6 Accounting period. Each utility in Class A, Class B, or Class C shall keep its books on a monthly basis so that for each month all transactions applicable thereto shall be promptly carried to the general ledger. Each utility in Class D shall keep its books either on a monthly or quarterly basis. When a quarterly basis is used provisions contained herein relative to monthly entries shall be regarded as calling for quarterly entries. A trial balance shall be taken after the monthly or quarterly postings have been made, and each utility shall close its books as of the end of its fiscal year.

196.7 Submission of questions. To maintain uniformity of accounting, utilities shall promptly submit all questions of doubtful interpretation to the commission for consideration and decision.

196.8 Classification of utilities. (a) For the purpose of applying the system of accounts herein prescribed, municipal electric utilities are hereby grouped into the following four classes:

Class A. Utilities having average annual electric operating revenues of $500,000 or over
Class B. Utilities having average annual electric operating revenues of $100,000 or over, but under $500,000
Class C. Utilities having average annual electric operating revenues of $25,000 or over, but under $100,000
Class D. Utilities having average annual electric operating revenues of less than $25,000

(b) In order that frequent changes may be avoided, the class to which any utility belongs may be determined by the average of its annual electric operating revenues for the three fiscal years next preceding the effective date of this system of accounts. If, at the end of any
fiscal year following, the average of its annual electric operating
revenues for the three next preceding fiscal years is greater than the
maximum for the class in which the utility has been grouped, it shall
automatically be grouped in the higher class in which it falls because
of such increased annual revenues. Any utility engaged in new
undertakings, the annual revenue from which is not known in advance,
shall be classed in accordance with a reasonable estimate of its
prospective revenues.

(c) Any utility may, at its option, place itself in any group higher
than the one in which it falls on the basis of its average annual
electric operating revenues. Notice of such action shall be promptly
filed with the commission.

196.9 Applicability of accounts.

(a) This uniform system of accounts is prescribed for all operating
utilities subject to the jurisdiction of the commission. Except as
otherwise indicated in the text of the accounts, the balance sheet,
operating property, income, surplus, and revenue accounts are identical
for each of the four classes.

(b) The classification of operating expenses is adapted to utilities
in the various classes, and the accounts are combined or subdivided to
meet the needs of each class.

(c) Each utility shall keep, so far as they are applicable to its
business, at least the accounts provided for the class to which it
belongs. It may also keep subdivisions thereof, whether those prescribed
for utilities of a higher class or others, as provided in section 196.4.
The letters A, B, C, and D which precede account numbers indicate the
classes of utilities which shall keep these accounts.

(d) This uniform system of accounts is also prescribed for electric
plants (see Abstracts from Law, § 195.2) owned but not operated by
municipalities which plants furnish electric service (see § 196.1, subd.
(a) (16)) to others than the municipality owning such plant, so far as
it is applicable thereto.

197.1 Balance sheet accounts, purpose of
197.2 Clearing accounts, purpose of
197.3 Contingent assets and liabilities
197.4 Current assets
197.5 Current liabilities
197.6 Delayed items
197.7 Depreciation accounting
197.8 Discount or premium on owned securities of others
197.9 Discount or premium and expense on long term debt
197.10 Distribution of pay and expenses of employees
197.11 Employee pensions and benefits
197.12 Income accounts, purpose of
197.13 Insurance
197.14 Item lists, interpretation of
197.15 Jobbing work
197.16 Joint expenses
Section 197.1 Balance sheet accounts, purpose of. By balance sheet accounts are meant those titles under which the ledger accounts are combined and summarized to show, as of a given date, the assets, liabilities, contributions from the municipality, and surplus or deficit.

Section 197.2 Clearing accounts, purpose of. (a) The clearing accounts are designed to facilitate the distribution of certain expenditures which usually affect both construction and operations or which affect electric operations and other operations of the municipal electric utility. Clearing accounts other than those provided herein may be kept. (b) Balances in clearing accounts shall be fully cleared not later than the end of the fiscal year unless items held therein unquestionably relate to a future period, except that items incurred during the last month of a fiscal year may be carried over to be cleared in the following month.

Section 197.3 Contingent assets and liabilities. (a) Contingent assets represent a possible source of value to the utility contingent upon the fulfillment of conditions regarded as uncertain. Contingent liabilities include items which may under certain conditions become obligations of the utility but which are neither direct nor assumed liabilities at the date of the balance sheet. In the annual report to the commission, contingent assets and contingent liabilities shall not be included in the balance sheet but shall be shown in a supplementary statement accompanying it.

Section 197.4 Current assets. (a) Current assets are cash, those assets that are readily convertible into money or are held for current use in operations or construction, advance payments made by the utility benefit
of which is to be realized within a relatively short period, current claims against others payment of which is reasonably assured, and amounts accruing to the utility which are subject to current settlement.

(b) In the group of accounts designated as current assets (accounts 121 to 131) there shall not be included any item the amount of collectibility of which is not reasonably assured or for which provision has not been made in account 266, Reserve for Uncollectible Accounts. Items of current character but of doubtful value may be carried in these accounts at a nominal value or included in account 145, Miscellaneous Expense, at book cost or nominal value, or written off, as may be appropriate.

(c) Adjustments to accomplish the writing down of items of doubtful value not covered by reserves shall be made through account 514, Miscellaneous Debits to Surplus, or other appropriate account.

197.5 Current liabilities. Current liabilities are those obligations the amount of which is definitely determined or closely estimated which are either matured at the date of the balance sheet or become due within a year from date of issuance or assumption or upon demand, except bonds, which shall be classed as long term debt (see § 196.1, subd. (a) (20)), regardless of the period for which they are to run.

197.6 Delayed items. (a) The term delayed items means items relating to transactions which occurred before the current fiscal year. It includes adjustments of errors in the income, operating revenue, and operating expense accounts of prior years.

(b) Delayed items shall be charged or credited to the same accounts which should have been charged or credited if the items had been taken up or adjusted in the period to which they pertain. When the amount of a delayed item is relatively so large that its inclusion in the accounts for a single month would seriously distort those accounts, it may be distributed in equal amounts to the accounts for the current and remaining months of the fiscal year.

(c) If the amount of any delayed item is relatively so large that its inclusion in the accounts for a single year would seriously distort those accounts, the utility, if so authorized by order of the commission, may carry to Surplus as much of the amount as may be authorized. In requesting such authority, the utility shall file with the commission the full particulars concerning each such item and the reasons which in its judgment indicate the propriety of such accounting.

197.7 Depreciation accounting.

(a) Computation and filing of depreciation rates.

(1) Each utility shall determine and file with this commission not later than six months following the date when it becomes subject to this system of accounts, a statement showing composite annual percentage rates considered applicable to the book cost of each class of depreciable property or subdivision thereof (see subd. (c) hereunder) used wholly or partly in electric operations, which rates shall be based upon the estimated service values and service lives developed by a study of the utility's history and experience, the history and experience of other utilities and electric corporations, and such engineering and other information as may be available in respect of probable future conditions. These percentage rates shall be computed in conformity with
the group plan of accounting for depreciation and shall be such that the
loss in service value of the property will be distributed in equal
monthly charges during the service life of the property in accordance
with the straight-line method (see § 196.1, subd. (a) (44)). When a
class of depreciable property covers two or more distinct types of
property with different service lives and/or net salvage values, the
service lives and net salvage values shall be separately determined for
each such type of property. When this is done the composite annual rates
shall be computed so as to produce a charge to operating expenses for
each class of depreciable property which will be equal to the sum of the
amounts chargeable for each of the various types of depreciable property
included in such class. The composite annual rates so filed shall be
accompanied by a statement subscribed by the responsible municipal
official or other duly authorized representative of the utility showing
the bases therefor and the methods employed in their computation,
including the estimated service life and net salvage value at retirement
of each class, or subdivision thereof, of depreciable property, and the
date when such rates become effective. The utility shall be prepared to
submit evidence showing the correctness and applicability under the
principles and methods herein prescribed of such rates, and to compute
and submit at any time, upon direction of this commission, revised rates
when existing rates are deemed inapplicable.

(2) If in the judgment of the utility any composite rate filed with
the commission becomes no longer currently applicable, the utility shall
in like manner file revised annual composite depreciation rates which in
its judgment should be established.

(3) The utility shall keep such records of property and property
retirements as will reflect the service life of property which has been
retired, or will permit the determination of probable service life by
appropriate methods; and also such records as will reflect the
percentage of salvage value, or net salvage value, as appropriate, for
property retired from each class, or subdivision thereof, of depreciable
operating property used wholly or partly in electric operations.

(b) Depreciation charges. (1) Charges for currently accruing
depreciation on Operating Property--Electric shall be made monthly to
the various operating expense accounts provided for such charges, to
clearing accounts, or to account 432, Deductions from Rent
Revenues--Electric (see paragraph (3) hereunder), with concurrent
credits to account 261, Depreciation Reserves. Charges for Operating
Property--General (used partly in electric operations) shall be
apportioned among the depreciation expense accounts or clearing accounts
provided for electric operations and the corresponding accounts for
other operations (see § 196.1, subd. (a) (32)). In computing the monthly
charges, one-twelfth of the composite annual rate applicable to each
class of depreciable operating property (see subd. (c) hereunder) shall
be applied to the balance at the beginning of the month in each account
or subdivision thereof covering such depreciable operating property.

(2) Depreciation charges shall be made upon property used but not
owned only to the extent that the cost of such property is included in
the operating property accounts (see § 197.17, subd. (a)) and shall be
made upon the same basis as for owned depreciable property. Any
additional reserve required to meet losses expected to be incurred
through reversion of such property to the lessor prior to the expiration
of its service life shall be provided through charges to account 790,
Amortization of Intangible Property, and credits to account 262, Amortization Reserves. For treatment of depreciation upon leased property, see subdivision (d) of section 197.28.

(3) Depreciation charges on electric property constituting a distinct operating unit leased to others for electric operations, when the lessee has exclusive possession, shall be made to account 432, Deductions from Rent Revenues-Electric, with concurrent credits to account 261, Depreciation Reserves.

(4) In computing depreciation charges, a separate composite annual rate shall be used for each class, or subdivision thereof, of depreciable Operating Property--Electric and Operating Property--General. Such composite rates shall be those filed in accordance with paragraphs (1) and (2) of subdivision (a) of this section, unless otherwise ordered by the commission. Until the filing of such rates, each utility shall use such provisional composite rates as will in its judgment approximate as closely as is reasonably possible the rates to be filed.

(c) Classes of depreciable electric operating property. (1) The classes of depreciable electric operating property, upon which composite depreciation rate shall be based, and the accounts covering such operating property are as follows:

Steam Power Plant Land* and all in account 312, 5 structures, into one class. (account 311 (1))
Hydro-Electric Power Plant Land* (account 311 (2))
Internal Combustion Power Plant Land* (account 311 (3))
Transmission System Land and Rights of Way* (account 311 (5))
Distribution System Land and Rights of Way* (account 311 (6))
Office Land* (account 311 (7))
Shop Land* (account 311 (8))
Stores Land* (account 311 (9))
Transportation Land* (account 311 (10))
Miscellaneous Land* (account 311 (11))
Steam Power Plant Structures (account 312 (1))
Hydro-Electric Power Plant Structures (account 312 (2))
Internal Combustion Power Plant Structures (account 312 (3))
Transmission System Structures (account 312 (5))
Distribution System Structures (account 312 (6))
Office Structures (account 312 (7))
Shop Structures (account 312 (8))
Stores Structures (account 312 (9))
Transportation Structures (account 312 (10))
Miscellaneous Structures (account 312 (11))
Boiler Plant Equipment (account 321)
Engine Driven Generator Units--Steam (account 322)
Turbo-Generators--Steam (account 323)
Accessory Electric Equipment--Steam (account 324)
Miscellaneous Power Plant Equipment--Steam (account 325)
Reservoirs, Dams, and Waterways (account 331)
Roads, Trails, and Bridges (account 332)
Water Wheels, Turbines, and Generators (account 333)
Accessory Electric Equipment--Hydro (account 334)
Miscellaneous Power Plant Equipment--Hydro (account 335)
Engine Driven Generator Units--Internal Combustion (account 342)
Accessory Electric Equipment--Internal Combustion (account 344)
Miscellaneous Power Plant Equipment—Internal Combustion (account 345)
Transmission Roads and Trails (account 351)
Transmission Substation Equipment (account 352)
Transmission Overhead Conductors (account 353)
Transmission Underground Conductor (account 354)
Poles, Towers, and Fixtures (account 358)
Underground Conduits (account 359)
Distribution Substation Equipment (account 361)
Storage Battery Equipment (account 362)
Distribution Overhead Conductors (account 363)
Distribution Underground Conductors (account 364)
Line Transformers (account 365)
Overhead Services (account 366)
Underground Services (account 367)
Consumers' Meters (account 368)
Consumers' Meter Installation (account 369)
Other Property on Consumers' Premises (account 370)
Street Lighting and Signal System Equipment** (account 371)
Office Equipment (account 381)
Stores Equipment (account 382)
Shop Equipment (account 383)
Transportation Equipment (account 384)
Communication Equipment (account 385)
Laboratory Equipment (account 386)
General Tools and Implements (account 387)
Miscellaneous General Equipment (account 388)
Miscellaneous Tangible Property (account 391)

FOOTNOTES: * Except for interests in land with limited terms, such as
leaseholds, water rights, water diversion rights, rights of way, and
easements. Class C and Class D utilities may combine all operating
property in account 311, Land, into one class.
** Utilities may subdivide to show Street Lighting Equipment
separately from Signal System Equipment.

(2) In case the utility carries any operating property in account 392,
Undistributed Operating Property, the depreciation provisions herein set
forth shall apply thereto. The depreciation charges for such property
shall be made to the same accounts as if it were distributed among the
operating property accounts appropriate to its character and use.
(d) Depreciation of other than electric property. (1) The instructions
for depreciation of operating property as outlined herein shall apply to
Operating Property—Electric and to Operating Property—General. The
accounting for depreciation on operating property in other operating
departments which are subject to regulation by the commission shall be
in accordance with the effective systems of accounts applicable to such
operations.
(2) Separate expense and reserve accounts shall be maintained for each
operating department for recording depreciation upon operating property.
Depreciation on non-operating property shall be charged to account 449,
Non-operating Revenue Deductions, and credited to an appropriate
subdivision of account 267, Miscellaneous Reserves.
.S0 DOC 16A-197.8                         NYCRR
197.8 Discount or premium on owned securities of others. (a) 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 spread 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 account 444, Miscellaneous Non-operating Revenues.

(b) In like manner, 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 account 449, Non-operating Revenue Deductions.

(c) No debits shall be made in respect of discount upon securities held as investments or in special funds unless there is reason to believe that such securities will be redeemed at not less than par and at a date not later than their maturity.

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197.9 Discount or premium and expense on long term debt. (a) A separate subdivision shall be maintained in account 141, Unamortized Debt Discount and Expense, for the excess of discount and debt expense over any premium related to each class of long term debt issued or assumed. (See pars. (12), (14) and (34) of subd. (a) of § 196.1.)

(b) Corresponding subdivisions shall be maintained in account 271, Unamortized Premium on Debt, for the excess of the premium over any discount and debt expense related to each class of long term debt issued or assumed.

(c) Each month there shall be credited to each subdivision of account 141, Unamortized Debt Discount and Expense, the amount applicable to such month under a plan the application of which will equitably distribute the balance therein over the life of the security. Amounts thus credited shall be concurrently charged to account 453, Amortization of Debt Discount and Expense.

(d) Correspondingly, each month there shall be charged to each subdivision of account 271, Unamortized Premium on Debt, the portion of such credit balance which is applicable to that month. Amounts thus charged shall be concurrently credited to account 454, Release of Premium on Debt--Cr.

(e) The utility may extinguish at any time through Surplus all or any part of the balance remaining in any subdivision of account 141, Unamortized Debt Discount and Expense, or account 271, Unamortized Premium on Debt.

(f) Except as provided in subdivision (c), (d) and (e) of this section, the balance in each of these accounts or subdivisions thereof shall be carried until the reacquisition of the securities to which it relates. At that time (unless otherwise ordered by the commission) a portion of the balance in the account or subdivision for the particular class of long term debt reacquired shall be transferred to account 502, Miscellaneous Credits to Surplus or account 514, Miscellaneous Debits to Surplus, as may be appropriate. Such portion shall be based on the relation of the amount of the particular issue of long term debt reacquired to the total outstanding before its reacquisition. This provision shall not apply to securities held alive in sinking or other
(g) Except as provided in paragraph (10) of subdivision (e) of section 197.21, no discount or expense on long term debt shall be included in any account as a part of the cost of acquiring any property or as a part of the cost of operation.

197.10 Distribution of pay and expenses of employees. (a) The charges to property accounts, operating expenses, or other accounts for services and expenses of employees engaged in both construction and operation or in more than one class of operations, shall be based upon the actual time engaged in each service, or in case that is impracticable, upon percentages based on study of the time actually engaged during a representative period.

(b) The pay and expenses of general officers of the municipal electric utility and of general municipal officers and employees shall be included in the accounts of the municipal electric utility to the extent that they are actually engaged in such work based upon the actual time so engaged, and shall be charged to the actual work on which they are engaged, to the particular operations over which they have direct supervision, or to the appropriate accounts provided in the administrative and general group in operating expenses.

(c) Salaries of officers or employees and incidental expenses which can be distributed equitably upon a predetermined basis may be distributed through clearing accounts.

197.11 Employer pensions and benefits. (a) All cost of employee pensions and benefits, whether such costs represent pensions payable currently to retired employees or their beneficiaries, advance provision for future payments, or both, are includible in the charges of each accounting period. A utility may distribute to construction and retirement projects and to clearing and other accounts an applicable portion of the pension and benefits costs.

(b) Costs of accident and health insurance, hospital and surgical insurance, disability and lump sum separation allowances, and similar employee benefits, together with costs of operating educational and recreational facilities are also includible in account 785.1, Employees' Welfare Expenses.

197.12 Income accounts, purpose of. The income accounts (401 to 460) are designed to show for each month the amounts of operating revenues and operating expenses applicable to electric and other operations subject to the jurisdiction of the commission; the returns upon securities owned and from property not used in operations; the amounts accrued for taxes, uncollectible revenues, and use of moneys, and for exclusive use of properties of others constituting a distinct operating unit; and reservations and appropriations of income.

197.13 Insurance. (a) The amount of insurance premiums paid in advance shall be included in the appropriate subdivision of account 128, Prepayments, and equitably distributed to the appropriate accounts during the period to which the premiums relate (except minor premiums which may be charged direct, and premiums chargeable to construction).

(b) If the utility does not carry full insurance, monthly charges may be made to account 783.1, Insurance, account 783.2, Injuries and
Damages, or other appropriate account, with concurrent credits to account 264, Insurance Reserve, or account 265, Injuries and Damage Reserve, to maintain reserves to cover losses against which the utility is not otherwise insured. (See also § 197.33.)

197.14 Item lists, interpretation of. Lists of items appearing in the texts of the several accounts are given for the purpose of indicating the application of the prescribed accounting in specific cases. The lists are not to be considered as comprising all items includible in the several accounts, but merely as representative of them. On the other hand, the appearance of an item in a list warrants the inclusion of such item in the account concerned only when the text of the account also indicates inclusion, in as much as the same item frequently appears in more than one list. The proper entry in each instance must be determined by the texts of the accounts.

197.15 Jobbing work. The revenue from appliance sales and from jobbing work, such as wiring, installation of appliances, servicing appliances, etc., shall be credited to account 772, Appliance Selling and Jobbing, and the cost of such appliances and jobbing work, including direct labor, shall be charged thereto. Such cost shall include the proportion of superintendence, shop, transportation, stores, and other expenses applicable thereto; except that such allocations are not mandatory for Class D utilities.

197.16 Joint expenses.

(a) In accounting for operating expenses incurred under arrangements between the municipal electric utility and others for joint use of facilities, the creditor in the first instance shall charge the entire expense to the appropriate accounts or to a clearing account. The portions borne by the debtor shall be credited by the creditor to the accounts previously charged therefor and charged by the debtor to the same accounts to which they would be charged if incurred directly to the debtor.

(b) Any allowance for profit or return and taxes on property used under the arrangement shall be credited by the creditor to account 621, Rent from Electric Property and charged by the debtor to the appropriate rent expense account.

(c) Bills covering charges by another party or by another department of the operating municipality under joint arrangements shall be so rendered or analyzed as to make possible allocation of the several elements thereof to the appropriate accounts.

(d) Operating expenses incurred for facilities operated by the operating municipality and used jointly by the municipal electric utility and any other department of the operating municipality shall be treated so that there will be available the details of the charges and the basis of the distribution to each department.

(e) Complete details or copies of contracts or agreements covering joint operations shall be filed with the commission. Such data shall include a statement outlining the reasons for the basis of allocation used.

Note: When production operations are conducted under joint arrangements, the statistics for electricity produced shall be reported in a consistent manner so that each participant will report its share of
the quantity of electricity produced.

197.17 Leased property, expenditures on. (a) Except as provided in subdivision (b) following, the cost of initial improvements (including rearrangements, additions, and betterments) to property leased from others made in the course of preparing the property for electric operations, and the cost of any subsequent additions to and betterments of such leased property, not including replacements, shall be charged to the operating property accounts (see note under accounts 101-109, Operating Property) appropriate for the class of property leased. Amortization and depreciation on such expenditures shall be provided for in the manner set forth in paragraph (2) of subdivision (b) of section 197.7.

(b) When the alterations to leased electric property otherwise chargeable to the property accounts are of relatively minor cost or the period of the lease is less than one year, the cost shall be charged to the accounts chargeable with the cost of repairs to such property.

197.18 Merchandising and jobbing. (See 197.15.)

197.19 Operating expense accounts, purpose of. The operating expense accounts (701 to 793) are designed to show the cost of electric service exclusive of taxes, uncollectible revenues, and return on investment. (See also 197.33.)

197.20 Operating property accounts, purpose of. (a) The operating property accounts are designed to show the original cost (see 196.1, subd. (a) (33)) of property used (see 196.1, subd. (a) (43)) in operations, which ordinarily has a service life of more than one year. Operating property used in common by the municipal electric utility and by another department of the operating municipality shall be included in the operating property accounts if the major use is by the electric utility. This shall govern even if the property was acquired through the use of general municipal funds, in which case credit therefor shall be to account 280, Contributions--Operating Municipality.

(b) Every debit or credit to operating property accounts shall be made so as to be readily identifiable with the particular item or items of property to which it relates. When two or more items are acquired under a single undivided contract the records shall show that fact, and shall also show the portion thereof fairly applicable to each such item. (See 197.22.)

(c) When property ordinarily having a service life of more than one year is installed for temporary use in operations, it shall be accounted for in the same manner as property having a service life of more than one year.

Note: Portable articles purchased from another public utility, but not acquired as a part of a going plant, may be charged to appropriate accounts at cost to the purchasing utility.

197.21 Operating property accounts, basis of charges to.

(a) Amounts chargeable to operating property accounts shall be the reasonable and necessary cost (see 196.1, subd. (a) (8)) of property constructed or installed by the accounting utility and the original cost (see 196.1, subd. (a) (33) and note to 197.20) of operating property...
acquired from a predecessor public utility (see § 197.27). Existing book balances may be carried until the completion of the inventory and the determination of original cost as required under section 197.22. At that time proposed journal entries to adjust the differences, if any, between book cost as previously carried and original cost shall be filed with the commission. No change (except correction of errors) shall be made in the book cost of any item except upon order of the commission. Nothing herein stated shall be taken as permitting the recording as part of the original cost of operating property of amounts which in previous years were charged to operating expenses, operating taxes or to other income or surplus accounts.

(b) When the consideration given for property is anything other than money, the current money value of such consideration shall be used. In the entry recording such a transaction the actual consideration shall be described with sufficient particularity to identify it. The utility shall be prepared to furnish to the commission the particulars of its determination of the money value of the consideration if other than money.

(c) The cost of hand tools and other individual items of small value and short life shall be charged to the appropriate operating expense or clearing accounts according to the use thereof, except that if such items are consumed directly in construction work, the cost may be included as part of the cost of the constructed unit.

(d) When property is purchased under any plan involving deferred payments, no charges shall be made to operating property accounts for interest, insurance, or other expenditures incidental to such form of payment.

(e) The cost of the construction or acquisition of property chargeable to the operating property accounts shall include the cost of direct labor, indirect labor, materials, transportation, contract work, engineering and supervision, law expenditures, injuries and damages, taxes, interest during construction, permits and privileges, rent of construction facilities, compensation and other insurance applicable to construction, and other analogous elements applicable to the construction and acquisition of property. The cost includible in the principal items are as follows:

(1) Direct labor includes the pay and expenses of employees directly engaged in construction work and of foremen in direct charge thereof.

(2) Indirect labor includes the portion of the pay and expenses of employees indirectly connected with construction work, such as timekeepers, store keepers, and general office employees, applicable to construction work. (See § 197.10.)

(3) Materials includes the purchase price at the point of free delivery plus customs duties, excise taxes, and the costs of inspecting, loading, and transporting, and related stores expense. In determining the cost of materials used for construction, proper allowance shall be made for unused portions of materials recovered in performance of the work involved, and for discounts allowed in the purchase of materials.

(4) Transportation includes the cost of transporting purchased equipment and of transporting employees, materials and supplies, tools, and service equipment to and from points of construction. It includes amounts paid therefor to others and the cost of transportation service rendered by vehicles owned by the utility.

(5) Contract work includes amounts paid for work performed under
contract and expenses incurred by the utility in connection with such work, including inspection, engineering and supervision, and costs incident to the award of contracts.

(6) Engineering and supervision includes the portion of the pay and expenses of general officers, engineers, surveyors, draftsmen, and superintendents, and their assistants, applicable to construction work.

(7) Employee pensions and benefits includes the portion of the cost of employee pensions and benefits which is applicable to construction work.

(8) Law expenditures includes the general law expenditures incurred in connection with the construction or acquisition of property and the court and legal costs directly related thereto.

(9) Injuries and damages includes expenditures or losses in connection with construction work on account of injuries to persons or damages to property of others.

(10) Taxes includes taxes actually paid on physical property during construction and before the facilities are ready for service. This includes taxes on land for the period during which it is included in account 110, Construction Work in Progress, until a structure thereon is ready for service or the land is otherwise used in operations. (See note A under account 311, Land.)

(11) Interest includes the net current cost of borrowed funds, or funds furnished by the operating or lessor municipality, used for construction purposes and the same rate upon the utility's own funds so used. Such interest shall be charged each month upon the balance at the beginning of the month in account 110, Construction Work in Progress, and credited to account 455, Interest Charged to Property--Cr. The period for which interest may be so charged shall be limited to the duration of the construction work and shall not extend beyond the time when the property becomes ready for service. In case construction work is suspended, interest charges may not be continued for more than six months thereafter, except upon order of the commission.

Note: Class D utilities are required to include the costs set forth in subdivision (e), paragraphs (2), (4), (6), (7), (8), (9), (10), and (11) only for major construction projects.

197.22 Operating property--continuing property record required (Class A and Class B utilities only). (a) Not later than the effective date of this system of accounts each Class A and B utility shall begin in the preparation of a continuing property record of operating property used in electric operations, subdivided so as to show separately the operating property located in each city, village, or town. Such record of property acquired prior to the effective date of this system of account shall be completed not later than two years after the effective date thereof.

(b) The continuing property record shall be arranged in conformity with the operating property accounts and shall show a description of the property and the original cost (see § 196.1, subd. (a) (33)) thereof, except that for such portion of the property, the original cost of which can not be determined without excessive expense, the original cost shall be estimated. In the case of future additions, and so far as reasonably feasible for present property, there shall be shown (either in such continuing property record or in other records referred to therein) for each item of one or more units the date of acquisition (or construction by the accounting utility or any predecessor thereof), the date when
first placed in service, the location of the property, and in the case
of movable items, the manufacturer's name and any number or other
identifying mark imprinted thereon, the number or designation used by
the utility, and such other particulars as may be necessary for complete
identification. The continuing property record shall show as of the end
of each fiscal year, for each prior year's construction, the surviving
balance for each continuing property record unit, in terms of both
quantities and dollars. Property consisting of a large number of
similar items may be grouped and within such groups for each fiscal year
the average cost of similar units may be used.

(c) In the case of large items, such as structures, boiler plant
equipment, and turbo-generators, the original cost of each unit or group
of units comprising a piece of property acquired as a whole, shall be
determined when feasible, and otherwise it shall be estimated. In the
case of land and structures the original cost of each parcel of land and
each structure is sufficient.

(d) The record shall show all essential details and the related costs
of equipment in each generating station, substation, transformer
station, and transmission line.

(e) Each utility shall file, not later than six months after the
effective date of this system of accounts, a statement of the units to
be shown separately in the continuing property record. Such units need
not be identical with the "Units of Property" to be filed as provided in
paragraph (1) of subdivision (b) of section 197.23.

NYCRR 197.23 Operating property retired.

(a) Except as otherwise provided in paragraph (2) of subdivision (b),
and subdivision (c) hereunder, the book cost of depreciable operating
property retired (see 196.1, subd. (a) (35)) shall be charged in its
entirety to account 261, Depreciation Reserves, together with the cost
of removal. To that account shall be credited salvage value and amounts
recovered as insurance or otherwise, including amounts provided in
account 264, Insurance Reserve.

(b) For the purpose of avoiding undue refinement in accounting for the
replacement of small items of property, depreciable Operating
Property--Electric and Operating Property--General shall be grouped into
(1) units of property, and (2) minor items, and the accounting for
retirements and replacements of each group shall be as follows:

(1) Units of property. Not later than six months following the date
when it becomes subject to this system of accounts, each utility shall
file with the commission a statement subscribed by the responsible
municipal official or other duly authorized representative showing for
each account or subdivision thereof in Operating Property--Electric (and
Operating Property--General) a list of the types and quantities of
property which are accounted for as units of property. Any revision
thereof shall be filed in like manner. The book cost of any unit of
property retired shall be credited to the appropriate operating property
account and charged to account 261, Depreciation Reserves, whether or
not replaced. The cost of property installed in place of property
retired shall be charged to the appropriate operating property account.

(2) Minor items. (i) This group includes any part or element which is
not designated as a unit of property. The book cost of any minor item of
property retired and not replaced shall be credited to the operating
property account wherein included and charged to account 261,
Depreciation Reserves, except that, if the book cost of a minor item of property has been or will be accounted for by its inclusion in the unit of property of which it is a part when such unit is retired, no separate credit to the operating property account is required when such minor item is retired.

(ii) If minor items of property are retired and replaced (apart from the unit of property of which they form a part or with which they are associated), no entry shall be made in the operating property account or in account 261, Depreciation Reserves. The cost of the replacement shall be charged to the account appropriate for the cost of repairs to the property, except that, if the replacement effects a substantial betterment (the primary aim of which is to make the property affected more useful, more efficient, or of greater capacity), there shall be charged to the appropriate operating property account the access cost of the replacement over the estimated cost at current prices of replacing without betterment the minor items retired.

(c) Determination of book cost. The book cost of operating property retired shall be the amount at which such property is included in the operating property accounts including all items set forth in paragraphs (1) to (10) of subdivision (e) of section 197.21. Such costs shall be determined from the utility's records when this can be done, as in the case of land, structures, boilers, engines, generating station and substation equipment, transportation, office, and other equipment, and other items of operating property for which individual cost records are available. When the actual book cost can not be determined from the records, it shall be estimated. When it is impracticable to determine the book cost of each item due to the relatively large number or small cost thereof, the average book cost of the items, with due allowance for differences in size, character or year of installation, shall be used as the book cost of the items retired, except that utilities in Classes C and D need not take account of year of installation. The continuing property record, when completed, shall be used in accounting for retirements.

(d) The accounting for the retirement of items included in account 302, Franchises and Consents, account 303, Miscellaneous Intangible Property, and intangible elements with limited terms included in account 311, Land, shall be as provided in the texts of account 262, Amortization Reserves, and account 790, Amortization of Intangible Property.

(e) When operating property constituting an operating unit or system is sold, the book cost of the property shall be credited to the appropriate operating property accounts. The amounts (estimated if not known) carried with respect thereto in the depreciation and amortization reserve accounts and account 263, Contributions for Extensions, shall be cleared for such reserves. Unless otherwise ordered by the commission, the difference, if any, between (1) the net amount of such debit and credit items, and (2) the consideration received for the property, shall be included, if a debit, in account 514, Miscellaneous Debits to Surplus, or, if a credit, in account 502, Miscellaneous Credits to Surplus.

(f) If the cause of retirement of depreciable Operating Property--Electric or Operating Property--General is one for which provision has not been made in the depreciation reserves and the loss is not covered by insurance, or if the retirement could not reasonably have
been foreseen and provided for, the utility, upon order of the commission, may credit account 261, Depreciation Reserves, and charge account 143, Suspense to be Amortized, with the unprovided for loss in service value and distribute it through charges to account 789, Deferred Retirement Losses, over such period as the commission may order.

197.24 Operating revenue accounts, purpose of. (a) The operating revenue accounts (601 to 622) are designed to show the amounts of money which the utility becomes lawfully entitled to receive from furnishing electric service and from services incident thereto, and may include amounts for service rendered but not yet billed.

(b) Unless otherwise authorized by order of the commission, the records supporting the entries to electric operating revenue accounts shall be kept so that there will be readily available the detail thereof separately for each city, village, or town.

(c) If the utility desires to charge the appropriate accounts with the cost of electricity used from its own supply in any of its electric operations, the credit therefor shall not be made to operating revenue accounts but to account 729, Duplicate Production Charges--Cr., or account 793, Duplicate Miscellaneous Charges--Cr.

(d) Electricity supplied to municipalities other than the operating municipality without charge, in accordance with franchise requirements, shall be accounted for as provided in account 791, Franchise Requirements.

(e) Electricity supplied to officers or employees of the municipal electric utility without charge or at less than tariff rates, shall be included in operating revenue accounts at tariff rates, with concurrent charges to the accounts to which the pay of such officers or employees is charged. Electricity so supplied to municipal officers or employees not on the payroll of the municipal electric utility shall be included in operating revenue accounts as provided above with concurrent debits to account 280, Contributions--Operating Municipality.

(f) Electricity or other service supplied by the municipal electric utility to the operating municipality (including any function or department thereof except those which are under the jurisdiction of the commission) shall be credited to the appropriate revenue accounts at the cost of rendering such service. (See § 197.33, subds. (c) and (d).) When the amount received for such service is greater or less than such cost, the difference shall be credited or charged, as the case may be, to account 280, Contributions--Operating Municipality.

Note: Electricity supplied or services rendered to any department of the operating municipality which is under the jurisdiction of the commission shall be accounted for as provided in account 726, Production Expenses Transferred--Cr., and account 792, Miscellaneous Expenses Transferred--Cr.

197.25 Operating revenue accounts, basis of entries.

(a) Credits to the various revenue accounts shall be made monthly upon the basis of either: (1) gross tariff rates, or (2) net tariff rates, for electricity supplied or service rendered. If at gross rates, discounts taken shall be charged, or, if at net rates, discounts not taken shall be credited, to the same account. For basis of credits to cover electricity supplied to the operating municipality, see sections 197.24 and 197.33.
(b) The utility shall keep its records so that it can show separately for each class of service under option (1) the discounts taken, or under option (2) the discounts not taken. Corrections of overcharges and overcollections theretofore credited; authorized abatements, allowances, and other corrections to bring charges into conformity with service classifications as filed with the commission shall be charged to the revenue accounts to which they relate.

NYCRR 197.26 Production expenses—steam, allocation of. (a) If steam produced primarily for generating electricity is utilized in electric operations for other purposes or by another operating department subject to the jurisdiction of the commission, the entire cost shall be charged in the first instance to the operating expense accounts provided herein for cost of steam production, and the amount applicable to the steam transferred, including repairs and depreciation, shall be credited to account 705, Steam Transferred—Cr.

(b) If another operating department subject to the jurisdiction of the commission is charged with any amount in addition to that which is credited to account 705, Steam Transferred—Cr., in accordance with subdivision (a), such additional amount shall be credited to account 621, Rent from Electric Property.

(c) Steam supplied by the municipal electric utility to the operating municipality (including any function or department thereof except those which are under the jurisdiction of the commission) shall be credited to account 622, Miscellaneous Electric Revenues, at the cost of production. When the amount received for such service is greater or less than such cost, the difference shall be credited or charged, as the case may be, to account 280, Contributions—Operating Municipality.

NYCRR 197.27 Property purchased. (a) When any electric plant or portion thereof constituting a distinct operating unit is purchased, the constituent elements thereof shall be appraised on the basis of original cost (see § 196.1, subd. (a) (33)) and a copy of such appraisal forwarded to the commission together with proposed journal entries allocating such original cost to the appropriate operating property or other accounts according to the nature of the property acquired. Such entries shall also cover any additional assets acquired or liabilities assumed and any incidental expenditures incurred in connection with the transaction. Full supporting details, including the purchase price and amount of contributions for extensions, if any, shall be furnished with such proposed entries.

(b) Accrued depreciation and amortization to date of purchase shall be determined, and a verified statement relative thereto, together with full supporting details, shall be submitted.

(c) Pending approval of the proposed journal entries, the cost of the electric plant and expenditures incidental to its purchase shall be carried in a suitably designated subdivision of account 145, Miscellaneous Expense, or, upon order of the commission, in account 392, Undistributed Operating Property, and allocation to operating property and other accounts shall be made only upon order of the commission.

(d) In a transaction involving the transfer and acquisition of property, the purchaser shall have available, so far as possible, all existing records and other evidence relating to the purchase, construction, and improvement of the property involved.
197.28 Rents. (a) Provision is made in the various operating expense accounts for rents payable for items of property or equipment other than those constituting a distinct operating unit of which the utility has exclusive possession. By exclusive possession is meant occupancy when the lessor furnishes no building or janitor service. (See account 433, Rent for Lease of Electric Plant--Dr.) Taxes paid by the lessee upon leased property shall be included in the tax account of the lessee.

(b) When a portion of property or equipment rented from others for use in connection with electric operations is subleased, the revenue derived from such subleasing shall be credited to account 621, Rent from Electric Property.

(c) Rents receivable from utility-owned electric property constituting a distinct operating unit, in the exclusive possession of the lessee for electric operations, shall be credited to account 431, Rent from Lease of Electric Plant--Cr. Other rentals from utility-owned electric property shall be credited to account 621, Rent from Electric Property. All expenditures, together with provision for depreciation, applicable to property the rentals from which are included in account 431, Rent from Lease of Electric Plant--Cr., shall be charged to account 432, Deductions from Rent Revenues--Electric.

(d) When the lessee is responsible for the currently accruing depreciation upon leased property not carried in its accounts (see § 197.17), it shall charge such depreciation to account 433, Rent for Lease of Electric Plant--Dr., with concurrent credits to account 267, Miscellaneous Reserves. Replacements of such property shall be charged to such reserve.

197.29 Repairs, cost of.

(a) The cost of repairs chargeable to the various operating expense accounts includes labor employed, materials used, and expenses incurred in all current maintenance (not including depreciation and amortization), such as:

1. Inspecting, testing, and reporting on the condition of operating property specifically to determine the need for repairs, minor replacements, rearrangements, and changes
2. Testing for, locating, preventing, and clearing trouble
3. Restoring condition of property damaged by wear and tear, decay, or action of the elements
4. Replacing minor items of operating property (see also § 197.23, subd. (b)(2)(ii))
5. Rearranging and changing the location of property not retired
6. Restoring the condition of property damaged by storms, breakage, floods, fire, accident, or other casualties (see also subd. (b))
7. Repairing materials for re-use
8. Maintenance work on rights of way for transmission or distribution system
9. Reconstructing or remodeling items of construction and equipment not resulting in a betterment (see § 197.23, subd. (b) (2) (ii))
10. Cutting and replacing pavement, pavement base, and sidewalks in connection with repairs
11. Training employees for repair work
12. Inspecting and testing after repairs have been made
13. Related costs of local plant administration, general plant
administration, and engineering, supervision, transportation, shop and stores expenses, and use of tools and implements (see accounts 802-808); except that such allocations are not mandatory for Class D utilities.

(b) The cost of repairs does not include the cost of replacing (see § 196.1, subd. (a) (36)) items of property designated as Units of Property (see § 197.23, subd. (b) (1)).

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

(d) If employees engaged in plant construction or operation are also required to make repairs, an equitable proportion of their pay and expenses shall be charged to the account appropriate for the cost of such repairs. (See § 197.10.)

(e) If the book cost of any property is carried in account 392, Undistributed Operating Property, the repairs to such property shall be charged to the accounts provided for repairs to property of the same nature and use the book cost of which is carried in other operating property accounts. Repairs to property leased from others shall be treated in like manner.

197.30 Separate records for each plant. (a) Unless otherwise authorized by order of the commission, separate records shall be maintained for the book cost of property comprising each electric plant owned or operated. The term plant as here used covers each separate generating station, substation, transformer station and transmission line, and the distribution system located in each city, village, or town.

(b) In like manner, expenses of operation and maintenance (accounts 701-734) shall be separately recorded for each plant as defined above, except transmission lines located wholly within a single city, village, or town, and distribution systems, provided that when a large number of small plants of the same nature are located so that two or more are operated as a unit under circumstances which make impracticable the segregation of such expenses, they may be kept for the group instead of for each plant.

(c) Expenses of operation and maintenance of the distribution, street lighting, and signal system property and transmission lines located wholly within a single city, village, or town, and the accounting, collecting, and sales activities (accounts 731-774) shall be kept separately for each city, village, or town, except that, with the approval of the commission, expenses for two or more such territories which are contiguous and are operated as a unit, may be combined.

Note: The segregation provided for in paragraph A hereof is not required to be established immediately, but shall be established as soon as is reasonably practicable and not later than the completion of the continuing property record provided for in section 197.22.

197.31 Spreading of income, revenue, and expense items. When the amount of any unusual item includible in an income, operating revenue, or operating expense account for a single month is relatively so large that its inclusion in the accounts for that month would seriously distort those accounts, it may be included, upon order of the commission, in account 145, Miscellaneous Suspense, or account 272, Miscellaneous Unadjusted Credits, as appropriate, and distributed to such accounts and over such period as the commission, by order, may
197.32 Surplus accounts, purpose of. The Surplus account is the collective title for a small group of accounts which form the connecting link between the income account and the balance sheet. The several accounts thereof (501 to 514) are designed to show the changes in the surplus or deficit during each fiscal year resulting from:

(a) the operations and other transactions during the period reflected in the income accounts,
(b) appropriations or other reservations of surplus for specific purposes,
(c) accounting adjustments not properly attributable to the period (see also §197.6, subd. (b)), and
(d) miscellaneous losses and gains not provided for elsewhere.

197.33 Transactions with the municipality. (a) In order that the books of the municipal electric utility may show accurately the results of electric operations, each municipal electric utility shall credit the appropriate account with the cost of property, services, materials, supplies, use of space or equipment, etc., furnished to the operating municipality or any department thereof. (See also account 280, Contributions--Operating Municipality, and §§ 197.24, subd. (f), 197.26, subd. (c).)

(b) Similarly, the accounts for electric operations shall include the cost of all items applicable thereto, including expenses of the municipal electric utility paid out of funds of the operating or lessor municipality, and services, materials, water supply, supplies, use of space or equipment, paving, inspection service, etc., furnished by the operating or lessor municipality or any department thereof. (See also account 280, Contributions--Operating Municipality.)

(c) The offsetting credit or debit for the transactions covered in subdivisions (a) and (b) hereof shall be to account 280, Contributions--Operating Municipality, which may show either a credit or a debit balance.

(d) These provisions are intended to make possible an accurate determination of the results of operations of the municipal electric utility by the inclusion in the operating accounts of all applicable items whether or not they are represented by actual payments. Thus, if an office of a municipal electric utility is located in a general municipal building and if no rent is paid to the operating municipality for such space, the appropriate account for such rent shall be debited with an equitable amount and the offsetting credit shall be to account 280, Contributions--Operating Municipality. If a general municipal officer or employee collects accounts receivable for electricity and the municipal electric utility does not pay from its funds any part of his salary and expenses, an equitable portion of his pay and expenses shall be charged to the appropriate electric operating expense account and the offsetting credit shall be to account 280, Contributions--Operating Municipality. In like manner, if the municipal electric utility furnishes any service such as street lighting, power for pumping water, etc., for which no payment is received from the operating municipality, the cost to the plant of such service shall be accounted for as provided in subdivision (a) hereof and sections 197.24 and 197.26, and charged to account 280, Contributions--Operating Municipality. If payments for
items enumerated in subdivisions (a) and (b) consist of a nominal amount, the difference between the cost of the service rendered and the amount paid therefor by the municipality shall be accounted for in like manner.

(e) As of the effective date of this system of accounts, there shall be determined through an analysis of all transactions from the date of the first expenditure for the municipal electric utility, the amount representing the net balance which would result if the transactions covered in this instruction and in account 280, Contributions--Operating Municipality, had been treated as provided herein. This net balance shall be placed on the books as a credit or a debit (as the case may be) to account 280, Contributions--Operating Municipality, and a copy of the journal entries showing detail and source of the information shall be filed with the commission not later than one year after the effective date of this system of accounts.

197.34 Transfers of property between departments. (a) Transfers of property between operating departments for each of which this commission has prescribed a system of accounts shall be recorded by transferring the book cost (see § 196.1, subd. (a) (4)) thereof from operating property of one department to that of the other, and likewise any related amounts carried in the depreciation and/or amortization reserves of the department in which such property had previously been carried.

(b) Transfers from Operating Property--Electric or Operating Property--General to operating departments of the municipal electric utility not subject to the jurisdiction of this commission, or to the operating or lessor municipality, or to non-operating property accounts, shall be treated as retirements (see § 197.23) and the amount credited to account 261, Depreciation Reserves, shall be the current fair market value of the property transferred, except that land, with or without improvements, transferred to account 112, Non-operating Property, to be held for sale, shall be accounted for as if carried in Operating Property--Electric or Operating Property--General, until sold.

(c) Property transferred from operating departments not subject to the jurisdiction of this commission or from non-operating property accounts or from the operating or lessor municipality, to Operating Property--Electric or Operating Property--General, shall be charged to such account at the original cost plus net carrying charges, if any, for the period during which it has been held for future use in electric service, with credits to the appropriate accounts for the accrued depreciation and/or amortization to date of transfer computed by the straight-line method. In such cases, the utility shall submit to the commission for approval the proposed journal entries to record the changes in property accounts and in reserves involved, together with full supporting details.

Note: The above provisions shall not apply to transfers made in the ordinary course through account 123, Materials and Supplies, which shall be treated as provided in section 197.23 and account 261, Depreciation Reserves.

197.35 Transmission and distribution systems. (a) Transmission system means all substances, lines, and appurtenances thereto used principally for inter-connection or transfer of electricity from a primary source of power to a distribution substation (including any transformer other than
a line transformer). In the case of power purchased, the point of delivery or receipt shall be considered a primary source. Transmission system shall also include high tension network conductors from the primary source of power to the primary side of the network transformers. If any lines or equipment operating at a voltage of less than 5,000 volts are included herein, a statement shall be filed with the commission describing such lines or equipment in detail and stating the reasons for classifying them as transmission items.

(b) Distribution system means all substations, lines, and appurtenances thereto used principally for the transfer of electricity from the generating station or the transmission system to the service connection leading to premises of consumers, including the distribution substations. If any lines or equipment operating at a voltage in excess of 10,000 volts are included herein, a statement shall be filed with the commission describing such lines or equipment in detail and stating the reasons for classifying them as distribution items.

. SO DOC 16A-197.36 
NYCRR
197.36 Unaudited items. When the amount of any item affecting these accounts can not be accurately determined in time for inclusion in the accounts of the fiscal year in which the transaction occurs, the amount of the item shall be estimated and included in the proper accounts. When the item is audited the necessary adjustments shall be made through the accounts in which the estimate was recorded. If, during the interval between the date of inclusion of the item in the accounts and the date on which it is audited, a substantial difference from the initial estimate is determined, appropriate adjustments shall be made in the current accounts to cover such difference. The utility is not required to anticipate small items which would not appreciably affect these accounts.

. SO DOC 16A-197.37 
NYCRR
197.37 Units of property. (See o 196.1, subd. (a) (42) and o 197.23, subd. (b) (1))

. SO DOC 16A-197.38 
NYCRR
197.38 Work order system required (Class A and Class B utilities only). (a) Class A and Class B utilities shall record all changes in operating property used wholly or partly in electric operations by means of a work order or job order system. Such work orders and supporting records shall be permanently preserved. The work order system shall include a work order estimate and a work in progress record, and shall contain the particulars described below. 

(b) All installations, additions, retirements, or replacements shall be covered by a work order estimate and a work in progress record. Standing work orders may be used for projects of less than $1,000 by Class A utilities and for projects of less than $500 by Class B utilities. These limits may be modified by special order of the commission when warranted by particular circumstances.

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

(1) A designation number or letter and the signature of the officer or employee who authorized the work or purchase. If authorization is by a board of the operating or lessor municipality or other body, the proper officer shall so state over his signature.

(2) A description and the location of the work to be done (or the purchase to be made), the dates between which such work (or purchase) is to be accomplished, the date when the work was begun, and the date when
(3) Detailed estimates of the cost of the project, together with maps, plans, diagrams, specifications, etc., 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 retirement, replacement, betterment, or rearrangement of property is involved, the work order estimate shall show or refer to other records which cover the book cost (estimated if not known, and the basis of the estimate to be stated) and the date of installation of the property withdrawn, enlarged, rearranged, improved, or replaced, and the name and page of the accounting and engineering books and records covering such installation and the cost thereof. If a work order system was in use at the time such property was installed, reference thereto shall be made by number or other designation.

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

(1) A designation number or letter which 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 shall be numbered or lettered in such manner as to be readily identifiable with the work order estimate for the same project.

(2) The accumulated charges applicable to each particular job or project separately for each of the items set forth in subdivision (e) of section 197.21, and the total cost of the completed project. The cost of dismantling and the salvage realized shall also be shown. When any project involves charges to more than one operating property account, a separate work in progress record shall be kept for the work chargeable to each account. Every charge or credit on 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 110, Construction Work in Progress. The cost of completed projects shall be promptly transferred from that account to the accounts to which chargeable. Upon coming into service, completed portions involving additions to operating property accounts shall be transferred to the appropriate accounts although other portions of the work covered by the same work order are not yet completed and the work order has not been closed. Credits for such transfers shall be made in separate columns.

Note A: 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 which satisfies the commission that the system which it has in use for recording changes in operating property 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 (see § 197.21 (e) (1-10)) must be readily available. The total of the uncompleted projects must also be in agreement with account 110, Construction Work in Progress.

Note B: The work order system is required to record changes in Operating Property--Electric and Operating Property--General. Its use is recommended, however, for recording other expenditures, such as for operating property in other departments, repairs, etc. When used for repairs, balances applicable thereto shall be cleared monthly to the
ACCOUNTS

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281. Surplus

FIXED ASSETS
101-109. Operating Property
A. Accounts representing operating property shall include the cost (see § 197.21) of property which has an expected life in service of more than one year which is used (see § 196.1, subd. (a) (43)) in operations, or which, in the case of electric operating property, is leased to others for electric operations. Separate accounts shall be maintained for each operating department subject to the jurisdiction of this commission, and separate subdivisions shall be maintained for electric operating property constituting a distinct operating unit leased to others for electric operations when the lessee has exclusive possession (see § 197.28); for electric operating property jointly owned; and for electric operating property operated under joint agreement. If the utility has two or more operating departments subject to the jurisdiction of the commission, operating property which is not assignable to a particular department or class of service may be carried in accounts corresponding to those prescribed for electric operating property under an account having the title Operating Property--General.
B. Separate subdivisions hereunder shall be maintained for the book cost of each separate plant owned or operated. (See § 197.30.)
C. Gas operating property shall be accounted for as prescribed in the Uniform System of Accounts for Gas Corporations.
Note A: The cost of additions to and betterments of property leased from others shall be recorded in the operating property accounts, but they shall be maintained in subdivisions entirely separate and distinct from those relating to owned property. (See § 197.17.)
Note B: For treatment of operating property paid for out of general funds, see sections 197.20 and 197.33.
110. Construction Work in Progress
This account shall include the cost of construction projects not ready for service at the date of the balance sheet. It shall include all elements of cost as set forth in paragraphs (1) to (10) of subdivision (e) of section 197.21. The detail thereof shall be as provided in section 197.38.
112. Non-operating Property
This account shall include the cost to the utility of physical property other than that used in connection with its several operating departments subject to the jurisdiction of the commission and which is described in paragraph (27) of subdivision (a) of section 196.1.
Note: Electric property and equipment leased to others for electric operations shall be retained in operating property.

INVESTMENTS
113. Loans to Operating Municipality

This account shall include notes, loans, and advances to the operating or lessor municipality when they are subject to repayment but are not subject to current settlement; and interest accrued on notes and advances included in this account when such interest is not subject to current settlement.

Note: Advances to the operating or lessor municipality which are not subject to repayment shall be included in account 280, Contributions--Operating Municipality; those subject to current settlement shall be included in account 124, Receivables from Operating Municipality.

114. Miscellaneous Investments

A. This account shall include the cost (except as otherwise provided hereunder) of the utility's investment in securities, if such securities are not included in any special fund account; of long term special deposits (see note B under account 129, Special Deposits); and any other investments not elsewhere provided for. The account shall be kept so as to show separately for each investment, the amount and detail of each class of securities held.

B. When investments carried in this account depreciate in value and the change is considered by the utility to be of long duration, the amount at which they are carried on the books shall be reduced to their fair current value by credits to this account and concurrent charges to account 514, Miscellaneous Debits to Surplus.

C. When securities with a fixed maturity date are purchased at either a discount or a premium, such discount or premium may be amortized over the remaining life of the securities as provided in section 197.8.

Note A: Securities pledged shall be shown separately from securities unpledged.

Note B: Securities borrowed by the utility and pledged shall not be included in this account.

115. Sinking Funds

A. This account shall include the following items when held by trustees or other fiscal agents in charge of sinking funds, or by the utility itself when they are segregated in a distinct fund, for the purpose of redeeming outstanding obligations:

(1) Cash

(2) Securities of others (including those issued by the operating or lessor municipality which are not included in the liability accounts of the municipal electric utility), or other assets, at cost except as otherwise provided herein

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

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

B. A separate subdivision shall be kept for each fund, the title of which shall designate the obligation in support of which the fund was created.

C. When securities of others, with a fixed maturity date, are purchased for the sinking fund at either a discount or a premium, such discount or premium may be amortized over the remaining life of the securities as provided in section 197.8.

Note A: Should the constituents of a sinking fund change substantially in value and such change be considered by the custodian to be of long duration, it may be reflected by suitable entries in this account and in
the corresponding reserve account or in Surplus, as may be appropriate.

Note B: Sinking funds which are set up in accordance with provisions of Section 127 of the Village Law shall be included in the account herein appropriate to the purpose for which such fund has been created; for example, if a sinking fund is set up to provide for replacement of depreciable property, it shall be included in account 116, Depreciation Fund; if for employees' pensions, it shall be included in account 117, Miscellaneous Special Funds.

116. Depreciation Fund
A. This account shall include the amount of cash and the cost (except as otherwise provided hereunder) of securities of others (including those issued by the operating or lessor municipality which are not included in the liability accounts of the municipal electric utility), and other current assets which have been specifically set aside for the purpose of providing a fund for the replacement of units of depreciable property.
B. When assets carried in this fund depreciate in value and the change is considered by the utility to be of long duration, the amount at which they are carried on the books shall be reduced to their fair current value by credits to this account and concurrent charges to account 514, Miscellaneous Debits to Surplus.
C. When securities with a fixed maturity date are purchased for the depreciation fund at either a discount or a premium, such discount or premium may be amortized over the remaining life of the securities as provided in section 197.8.

117. Miscellaneous Special Funds
A. This account shall include the amount of cash and the cost (except as otherwise provided hereunder) of securities of others (including those issued by the operating or lessor municipality which are not included in the liability accounts of the municipal electric utility), and other assets in insurance, employees' pension, savings, relief, hospital, and other funds which have been raised and specifically set aside or invested for purposes not provided for elsewhere. A separate subdivision shall be provided for each fund.
B. When assets carried in these funds depreciate in value and the change is considered by the utility to be of long duration, the amount at which they are carried on the books shall be reduced to their fair current value by credits to this account and concurrent charges to account 514, Miscellaneous Debits to Surplus.
C. When securities with a fixed maturity date are purchased for special funds at either a discount or a premium, such discount or premium may be amortized over the remaining life of the securities as provided in section 197.8.

CURRENT ASSETS

121. Cash
This account shall include the amount of current funds available for use on demand in the hands of financial officers and agents, in offices, or deposited in banks or with trust companies; and cash in transit.

Note: Checks shall be carried in this account only pending the next deposit in the usual course of business following their receipt; otherwise they shall be carried as accounts receivable.

122. Working Funds
This account shall include amounts advanced to officers, agents, employees, and others as working funds from which certain expenditures
are to be made and accounted for.

123. Materials and Supplies

A. This account shall include the cost of unissued small tools and of all unapplied material and supplies, including tools, repair parts, fuel, etc. The cost shall include the purchase price at the point of free delivery plus customs duties, excise taxes, and the cost of transporting to the storeroom, including loading and unloading. When the cost of transportation is small relative to the purchase price and can not be readily assigned, it may be charged to account 802, Stores--Clearing. Cash and other discounts shall be deducted, when practicable, in determining the cost of the particular material to which they relate or shall be credited to the account to which the material is charged. Discounts which can not be so handled shall be credited to account 802, Stores--Clearing. (Utilities in Class D, see also account 785.2, Miscellaneous General Expenses.)

B. When any materials or supplies the cost of which has been charged to this account are issued for use, the amount at which they stand charged herein shall be credited to this account and charged to the appropriate construction, operating expense, or other account. Such amount may be based upon the average cost of all items of a given type included in this account at the beginning of the month.

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

(1) Re-usable materials consisting of large individual items, such as parts of structures or machinery, shall be included in this account on the basis of original cost, estimated if not known. The cost of repairing such items shall be charged to the appropriate expense account as indicated by previous use.

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

(3) Scrap and non-usable materials shall be carried at the estimated salvage value. So far as practicable the difference between the amounts realized and the amounts at which the materials are carried in this account shall be adjusted in the depreciation reserves, repair accounts, or other accounts which were credited when the materials were charged to this account.

D. Subdivisions of this account shall be maintained so that it will be possible to show materials and supplies which are held primarily for use in electric operations, those held for merchandise operations (see note C below), those held primarily for use in other classes of operations, those held for sale, and those which because of their nature can not be identified with any one of the four foregoing purposes.

Note A: Interest charged on material bills, the payment of which is delayed, shall be charged to account 452, Miscellaneous Interest Deductions.

Note B: Inventories of materials and supplies shall be taken at intervals of one year or less, and the necessary adjustment shall be
made to bring this account into harmony with the actual inventory. In effecting this adjustment, differences which may practicably be assigned to important classes of materials shall be equitably distributed among the accounts to which such classes of materials are ordinarily chargeable. Other differences shall be equitably apportioned among the accounts to which materials have been charged since the last inventory, or carried to account 802, Stores--Clearing. (Utilities in Class D, see also account 785.2, Miscellaneous General Expenses.)

Note C: The cost of merchandise carried in stock for the purpose of sale shall be carried in a separate subdivision of this account. 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. Materials and supplies to be used in jobbing operations need not be separately shown.

Note D: The cost of line transformers and consumers' meters may be carried in this account until their initial installation, but thereafter shall be excluded from this account and carried in the appropriate operating property account.

124. Receivables from Operating Municipality
This account shall include all obligations from the operating or lessor municipality which are subject to current settlement, such as current balances on open accounts, notes, drafts, etc.; also interest thereon.

Note A: Loans and advances which are not subject to current settlement shall be included in account 113, Loans to Operating Municipality, if subject to repayment; if not subject to repayment, they shall be included in account 280, Contributions--Operating Municipality.

Note B: Balances in this account may be netted with balances in account 241, Payables to Operating Municipality, if such items are netted in settlement, but not otherwise.

125. Accounts Receivable
A. This account shall include amounts owing by consumers and by other debtors (except the operating or lessor municipality), against each of which there is a debit balance representing current transactions. It shall include amounts owing for electricity, merchandise, wiring or other jobbing work; accounts and claims upon which responsibility is acknowledged by concerns or individuals; amounts owing by public authorities other than the operating or lessor municipality; amounts of collectible judgments; and amounts owing by electric companies. This account does not include negotiables. (See § 197.4.)

B. This account shall be subdivided as follows:
(1) General Consumers
(2) Merchandise and Jobbing
(4) Electric Companies including other Municipal Electric Utilities
(5) Public Authorities (other than the Operating Municipality)
(6) Officers and Employees (except items which are includible under subdivisions (1) and (2) which are settled currently)
(7) Others
(8) Unbilled Service Rendered

Note A: The amount to be reported under this account shall be the sum of all debit balances, not the net balance between this account and account 242, Accounts Payable.

Note B: This account shall not include cash in the hands of employees
or representatives charged with the collection or custody of current revenues; nor amounts advanced to officers, employees, or others as working funds.

Note C: In annual reports to the commission the utility may be required to submit an analysis of this account showing separately for each of the above groups the length of time for which balances have been carried in individual accounts.

126. Notes Receivable

This account shall include the amount of notes and bills receivable which are the property of the utility and which by their terms do not run for a period in excess of one year, upon which concerns or individuals other than the operating or lessor municipality are liable. This includes demand notes, drafts, etc., issued by others than banks, and time notes, drafts, etc., by whomever issued.

127. Interest and Dividends Receivable

This account shall include the amount of current interest accrued to the date of the balance sheet on bonds, mortgages, notes, and other commercial paper owned, on loans made, open accounts, bank deposits, etc., and the amount of dividends receivable on stocks owned. (See § 197.4.)

Note A: Interest which is not subject to current payment and interest accrued on receivables from the operating or lessor municipality shall be included in the account in which is carried the principal on which the interest accrued.

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

128. Prepayments

This account shall include the balances representing payment of items in advance of their accrual, the benefit of which is to be realized subsequent to the time of such payment. Entries shall be made each month transferring from this account to the appropriate accounts the portion of each prepayment which is applicable to that month. The account shall be kept so that there can be determined readily the amounts applicable to the following:

(1) Taxes and Licenses
(2) Insurance
(3) Interest
(4) Rents
(5) Miscellaneous

129. Special Deposits

This account shall include the balances of short term deposits of moneys and bank credits in the hands of fiscal agents or others for special purposes. This includes cash deposited with Federal, State, or municipal authorities as a guaranty for the fulfilment of obligations; and deposits in lieu of mortgaged property sold if such deposits are refundable when equivalent property is acquired. Entries to this account shall specify the purposes for which the deposit is made. When such purposes are satisfied through expenditure of funds or otherwise so that the deposit is released, this account shall be credited with the amount of the deposit.

Note A: This account shall not include any assets available for general utility purposes.

Note B: Deposits for more than one year not offset by current liabilities shall not be charged to this account but to account 114,
Miscellaneous Investments.
131. Miscellaneous Current Assets
This account shall include all current and accrued assets not includible under any of the foregoing accounts. (See § 197.4.)

Deferred Debts

141. Unamortized Debt Discount and Expense
This account shall include the total of the net debit balances representing the excess of the discount and expense over the premium in connection with the issuance of each class of the utility's long term debt. Separate subdivisions shall be maintained in respect of each issue of obligations. (See § 197.9.)

Note: All or any part of such discount and expense may, if desired, be amortized more rapidly through charges, either at time of issuance or later, to account 514, Miscellaneous Debits to Surplus.

143. Suspense to be Amortized
A. This account shall include losses in service value of property retired from causes for which provision has not been made in the depreciation reserves and losses from retirements which could not reasonably have been foreseen and provided for. (See § 197.23, subd. (f) and account 789, Deferred Retirement Losses.) The utility's application for permission to make such use of this account shall give full particulars concerning the property retired, the reason for which it is retired, the amounts provided in respect thereto in the depreciation and amortization reserves, the amount chargeable to this account, and the period over which, in its judgment, such amount should be distributed.

B. This account shall also include any excess cost to the utility of property purchased over the amount which is determined by the commission to be the difference between (1) the amount chargeable to Operating Property--Electric or Operating Property--General, and (2) the accrued depreciation and amortization related thereto at the date of acquisition. (See also § 197.27.)

C. This account shall also include other debit items which are subject to amortization by order of the commission.

D. Charges shall be made to this account only upon order of the commission and shall be written off over such period and in such manner as the commission may by order prescribe.

Note: This account shall be kept so as to show separately the nature and balance of each item included herein.

144. Clearing Accounts
A. This account shall include the balances in accounts (801 to 808) maintained to carry temporarily the cost of operating and maintaining such facilities as office buildings, storehouses, transportation structures and equipment, shops, etc.; such overhead or burden costs as it is desirable to apportion to the construction, operating, and other accounts involved; and charges by the operating municipality.

B. Balances in these accounts shall be fully cleared not later than the end of the fiscal year unless items therein unquestionably relate to a future period, except that items incurred in the last month of the year may be carried over to be cleared in the first month of the next year.

145. Miscellaneous Suspense
This account shall include all debit balances (other than those provided for in accounts 141 to 144 and 146) in suspense accounts that can not be entirely cleared and disposed of until additional information
is received. This includes cost of jobbing work unbilled (see § 197.15); amounts on deposit with banks which have failed, pending determination of loss; amounts paid for options pending final disposition; expenditures for plans and investigations made for determining the feasibility of projects under contemplation, pending further disposition; and expenditures for valuations, inventories, and appraisals made in connection with the contemplated purchase or sale of property.

Note: This account shall be kept so as to show separately the nature and balance of each major item included herein.

146. Regulatory Commission Suspense

A. This account shall include all expenses incurred by the utility in connection with formal cases before Federal or State regulatory commissions, or other regulatory bodies, or cases in which such a body is a party. This includes such items as:

(1) Fees, retainers, and expenses of counsel, solicitors, attorneys, accountants, engineers, clerks, attendants, witnesses, and others whose services are secured for the defense or prosecution of proceedings, petitions, or complaints presented to regulatory bodies.

(2) The pay of officers and employees specifically assigned to or engaged in the valuation of property owned or used by the utility, in connection with such cases, and the cost of similar work performed by others.

(3) Office and traveling expenses; stationery, printing, and engineering supplies; and other expenses and supplies including expenses of officers and employees upon matters covered by this account even though no portion of their pay is assignable hereto.

B. Amounts charged hereto shall be distributed to other accounts only over such period and in such manner as the commission may by order prescribe.

C. No debits for any expenditures described in paragraph A hereof shall be made to any other account in this system of accounts except by clearing through this account.

Note: Expenses incurred for the improvement of service, additional inspection, or rendering reports, which are made necessary by the rules and regulations, or orders, of regulatory bodies, shall be charged to appropriate operating expense accounts.

COMPANY SECURITIES OWNED

151. Reacquired Securities

A. When securities have been actually issued (see § 196.1, subd. (a)(2)) by the utility (or after such issuance by another debtor have been assumed by the utility) and after such issuance (or assumption) have been reacquired by the utility and are neither retired nor properly includible in sinking or other funds, they shall be charged at face value to this account.

C. Suitable entries shall be made to eliminate from related discount and premium accounts any amounts applicable to the particular securities reacquired, and any further differences between the price at which the securities have been reacquired and the amount chargeable to this account shall be adjusted through Surplus.

D. Subdivisions shall be maintained under this account for each class of reacquired securities.

Note: This account shall not include securities that are merely guaranteed by the utility.
DEFICIT

161. Deficit
The debit balance, if any, in Surplus shall be shown under this title.
(See ð 197.32.)

LONG TERM DEBT

231. Bonds
A. This account shall include the face value of unmatured bonded debt
issued by the municipal electric utility and not retired and canceled,
including all bonds issued by the operating or lessor municipality the
proceeds of which were used (or are specifically set aside to be used)
to acquire property or pay expenses included in these accounts; of
similar unmatured bonds of others, the payment of which has been assumed
by the utility; and of bonds so issued or assumed the maturity of which
has been extended by specific agreement.
B. This account shall show the amount of bonded debt of each class for
which the municipal electric utility is liable for repayment separately
from the amount for which the operating or lessor municipality is
liable.
C. The obligations included herein shall be recorded so as to show the
amount of each issue of bonds within each class of bonded debt.
D. A separate subdivision shall be maintained for each class of bonds,
and no two issues of bonds shall be considered to be of the same class
unless identical as to nature of security, rate of interest, interest
dates, and date of maturity, except that parts of any bonded debt issue
agreeing in other characteristics but maturing serially may be treated
as being of the same class. The title of each subdivision shall show the
essential characteristics of the bonds covered.

232. Equipment Obligations--Long Term
A. This account shall include the face value of unmatured obligations
having a life of more than one year from date of issuance (or in case of
notes maturing serially, a series any part of which matures more than
one year from date of issuance), which are secured by lien on specific
equipment. This includes equipment bonds, equipment notes, chattel
mortgages, and other obligations for which equipment is pledged as
security or is held under a "conditional sales agreement."
B. A separate subdivision shall be maintained for each class of long
term equipment obligations, and no two issues shall be considered to be
of the same class unless identical as to nature of equipment covered,
rate of interest, interest dates, and date of maturity, except that
parts of any issue agreeing in other characteristics but maturing
serially may be treated as being of the same class.

233. Miscellaneous Long Term Debt
This account shall include all long term debt of the municipal
electric utility not otherwise provided for, including that issued by
the operating or lessor municipality the proceeds of which were used (or
are specifically set aside to be used) to acquire property or pay
expenses included in these accounts. This covers such items as real
estate mortgages executed or assumed, assessments for public
improvements, notes and unsecured certificates of indebtedness, receipts
outstanding for long term debt, and other obligations maturing more than
one year after date of issuance or assumption by the utility.
Note: Separate subdivisions shall be maintained for each class of
obligations included in this account, and records shall be maintained to
show separately for each issue all details as to date of issuance, date
CURRENT AND ACCRUED LIABILITIES

241. Payables to Operating Municipality
This account shall include all credit balances on open accounts, notes, and drafts owing to the operating or lessor municipality which are subject to current settlement.

Note A: Liabilities to the operating or lessor municipality which are not subject to current settlement and those which are not subject to repayment shall be included in account 280, Contributions--Operating Municipality.

Note B: Balances in this account may be netted with balances in account 124, Receivables from Operating Municipality, if such items are netted in settlement, but not otherwise.

242. Accounts Payable
This account shall include the amount of current vouchers, accrued payrolls, and accounts owing to creditors other than the operating or lessor municipality.

243. Notes Payable
A. This account shall include the face value of outstanding obligations in the form of notes, drafts, and acceptances, including equipment obligations and other similar evidences of indebtedness, which are not payable to the operating or lessor municipality and which by their terms do not run for a period in excess of one year.

244. Consumers' Deposits
This account shall include the amounts deposited with the utility by consumers as security for the payment of bills. Deposits refunded shall be charged to this account, and amounts applied to uncollectible or worthless bills shall be credited to the account of the consumer involved and charged to this account.

245. Matured Interest
This account shall include the amount of matured and unpaid interest on debt of the utility except when such interest is added to the principal. (See accounts 241 and 249.)

246. Matured Long Term Debt
This account shall include the face value of long term debt matured and unpaid without specific agreement for extension of the time of payment, including unpresented bonds called for redemption.

248. Taxes Accrued
This account shall be credited each month with the amount of taxes actually payable which accrued during the month, with concurrent debits to the appropriate accounts for tax charges. As credits to this account will necessarily be based upon estimates, they shall be adjusted from time to time during the year so that the tax charge accounts may show, as nearly as possible, the taxes actually payable and applicable to the year. Payments of taxes for which accruals have been made shall be debited to this account.

Note A: The utility shall keep subdivisions of this account for each kind of tax.

Note B: Instead of keeping this account, utilities in Classes C and D may charge taxes to account 403, Taxes--Electric, or other appropriate account, as payments are made.

249. Interest Accrued
A. This account shall include the amount of interest accrued to the date of the balance sheet, but not payable until after that date, on all
indebtedness of the utility or of the operating or lessor municipality for which the utility is liable, except interest which is added to the principal. When interest is paid it shall be charged to this account and credited to cash or other suitable account. Records shall be kept so as to show separately for each item of indebtedness the interest accruals thereon.

B. When interest matures without being paid, it shall be charged to this account and credited to account 245, Matured Interest. Payments to trustees (or other agents of the holders of bonds or other securities) of the interest accrued thereon, which operate under the terms of the securities (or of mortgages supporting such securities) as a release from further liability for such interest, shall be considered equivalent to payments of interest made directly to bondholders.

Note: Interest accrued upon any judgment against the utility shall not be credited to this account, but to the account to which judgment stands credited.

251. Advance Billing and Payments
This account shall include the amount of advance billing which is to be credited to revenue accounts in future months, and advance payments for service (but not contributions for extensions) made by prospective consumers prior to the establishment of service. Amounts included in this account shall be credited to the appropriate revenue accounts in the month in which the service is rendered, or cleared from this account as refunds are made.

252. Miscellaneous Current Liabilities
This account shall include all current and accrued liabilities not includible in any of the foregoing accounts. (See § 197.5.)

RESERVES

261. Depreciation Reserves
A. This account shall be concurrently credited with amounts charged to operating expenses, clearing accounts, account 432, Deductions from Rent Revenues--Electric, or account 435, Deductions from Rent Revenues--Other Operations, for currently accruing depreciation (see § 196.1, subd. (a) (13)) of operating property (see also § 197.7). It shall also be credited with any amounts which the utility may charge to account 514, Miscellaneous Debits to Surplus, or transfer to this account for depreciation accrued but not provided for prior to the effective date of this system of accounts.

B. At the time of retirement of depreciable operating property 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 (see § 196.1, subd. (a) (37)) and amounts recovered as insurance or otherwise. It shall be credited with amounts chargeable upon order of the commission to account 143, Suspense to be Amortized as provided in subdivision (f) of section 197.23.

C. This account shall be subdivided so as to show separately the amount applicable to each operating department.

D. For ledger and balance sheet purposes the depreciation reserves applicable to Operating Property--Electric and Operating Property--General, respectively, shall be regarded and treated as single composite reserves. For purposes of analysis, however, each utility shall maintain subsidiary records in which each of these reserves is broken down into component parts corresponding to the classes, or subdivisions thereof, of depreciable property (see § 197.7, subd. (c)).
These subsidiary records shall show the current credits and debits to the reserves by such classes, or subdivisions thereof, of depreciable electric property in sufficient detail to show separately for each class (1) cost of operating property retired, (2) cost of removal, (3) salvage, (4) other items, including recoveries from insurance.

E. When transfers of operating property are made from one operating department to another or from or to non-operating property, the accounting shall be as provided in section 197.34.

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

262. Amortization Reserves

A. This account shall be credited with such amounts as are concurrently charged to account 790, Amortization of Intangible Property, or other appropriate account for the amortization of leaseholds, water rights, franchises, consents, licenses, privileges, patents, and other intangible property having a terminable life, and for losses expected to be incurred through the reversion of improvements on leased property to the lessor prior to the expiration of their service lives. (See ð 197.7, subd. (b) (2).)

B. This account shall be concurrently credited with amounts charged to account 514, Miscellaneous Debits to Surplus, to provide a reserve for the amortization of intangible property which does not have a terminable life.

C. When any water right, leasehold, franchise, consent, privilege, or patent expires, is sold or relinquished, or is otherwise retired from service, this account shall be charged with the amount previously credited hereto in respect of such property. The difference between the proceeds realized and the book value (see ð 196.1, subd. (a) (6)) of the property retired shall be charged or credited to account 790, Amortization of Intangible Property.

D. Records shall be maintained so as to show separately the balances applicable to each item of intangible property which is being amortized.

E. This account shall be credited with such amounts as are necessary to reflect, as of the effective date of this system of accounts, the expired portion of the life of franchises, consents, patent rights, leaseholds, easements, rights of way, and other interests in land, or other intangible property which has a terminable life, the cost of which is included in operating property. To the extent that provision has not previously been made, the amounts credited to this reserve shall be concurrently debited to Surplus.

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

263. Contributions for Extensions

A. This account shall include contributions to the utility by consumers, governmental bodies other than the operating or lessor municipality, or organizations, of property the cost of which is included in Operating Property—Electric or Operating Property—General, or of money or labor connected directly or indirectly with the construction or acquisition of such property, made for the purpose of establishing or extending the service rendered by the utility or for any
other purpose. The records shall be kept so that the amount of the
to which it specifically
rels will be readily available.
B. This account shall include any contributions or payments made by
consumers in connection with the installation of services the cost of
which is included in operating property.
C. Debits (other than correction of errors) shall be made to this
account only when contributions are repaid.
Note A: Advances or loans upon which interest is paid shall not be
included in this account.
Note B: Operating property paid for from funds advanced by
governmental bodies, of which a portion or all is not subject to
repayment, shall be included in operating property accounts at the full
cost of the property so acquired, and the portion of the advances not to
be repaid shall be included in this account.
264. Insurance Reserve
A. This account shall include amounts reserved by the utility, in case
it does not carry insurance, for losses through accident, fire, flood,
or other hazards to its own property or property leased from others. The
amounts charged to account 783.1, 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 and the character of the risks
covered and the rates used.
B. Charges shall be made to this account for the cost to the utility
of repairing damaged property owned or leased from others, the cost to
the utility of replacing damaged or destroyed property leased from
others, and the book value (see § 196.1, subd. (a) (6)) of the utility's
property destroyed or so badly damaged as to require its retirement.
Note: All repairs shall be charged in the first instance to the
account appropriate for the repair, and all retirements shall be charged
to account 261, Depreciation Reserves, to which account shall be
credited amounts chargeable to this account. (See § 196.2 (a).)
265. Injuries and Damages Reserve
A. This account shall be credited with amounts charged to account
783.2, Injuries and Damages, or other appropriate account, to meet the
probable liability, not covered by insurance, for deaths or injuries to
employees and others, and for damages to property not owned or held
under lease by the utility.
B. When liability for any injury or damage is admitted by the utility
either voluntarily or because of the decision of a court or other lawful
authority, such as a workmen's compensation board, the amount awarded
shall be charged to this account. If such a liability is to be
discharged over a period in excess of one year, the amount thereof shall
be credited to account 233, Miscellaneous Long Term Debt; if payment is
to be made in less than one year, to account 252, Miscellaneous Current
Liabilities.
Note A: The utility shall keep records supporting entries to this
account so that it can furnish full information as to the nature and
amount of each charge hereto.
Note B: Recoveries or reimbursements from others shall be credited to
this account; cost of repairs to property of others shall be charged to
this account. The accounting for repairs and replacements of property
leased from others shall be as provided in paragraph B of account 264,
Insurance Reserve, and note thereunder.

266. Reserve for Uncollectible Accounts

A. This account shall be credited each month with amounts reserved for losses on accounts receivable which may become uncollectible. Concurrent charges shall be made to account 404, Uncollectible Revenues—Electric, for amounts applicable to electric operations; to corresponding accounts for other operations subject to the jurisdiction of the commission; and to account 449, Non-operating Revenue Deductions, for similar provision for non-operating revenue.

B. This account shall be subdivided as follows:
   (1) General Consumers—Electric
   (2) Merchandise and Jobbing—Electric
   (4) Other Operations (separately for each operating department)
   (5) Others

C. Losses from uncollectible accounts shall be charged, and collections of accounts previously written off shall be credited, to the appropriate subdivision.

267. Miscellaneous Reserves

This account shall include amounts reserved by the utility for purposes which are not provided for in any of the preceding reserve accounts, including amounts reserved for depreciation of non-operating property.

   Note: A separate subdivision shall be set up in respect of each such reserve, and the utility may be required to show a complete analysis thereof in its annual reports to the commission.

DEFERRED CREDITS

271. Unamortized Premium on Debt

This account shall include all credit balances representing the excess of the premium over the discount and expense in connection with the issuance of each class of the utility's long term debt. Separate subdivisions shall be maintained in respect of each issue of obligations. (See § 197.9.)

Note: If in connection with an individual issue of debt the expenses incurred exceed the premium realized, the net debit balance shall be carried in account 141, Unamortized Debt Discount and Expense.

272. Miscellaneous Unadjusted Credits

This account shall include the credit balances in suspense accounts that can not be entirely cleared and disposed of until additional information is received.

   Note: Subdivisions shall be maintained for each class of items carried under this account.

SURPLUS

280. Contributions—Operating Municipality

A. The balance in this account shall represent the net contributions, whether in cash, property, or services, made to the municipal electric utility by the operating or lessor municipality or vice versa, from the date when the first expenditures in connection with the municipal electric utility were incurred to the date of the balance sheet. (See also § 197.33.) If the balance is a debit it shall be shown in the short column and below it the balance in account 281, Surplus, and the net figure shall be carried to the liability side of the balance sheet.

B. There shall be credited to this account amounts of cash received from the general fund of the operating or lessor municipality (other than payments for property or services, or repayment of loans) not
includible in account 241, Payables to Operating Municipality, for which liability for repayment is not set upon the books of the municipal electric utility; the original cost of property purchased from general funds, of which the municipal electric utility makes sole or major use and the cost (see § 197.33) of any services rendered to the municipal electric utility by the operating or lessor municipality or by any department thereof, less any amounts paid for such services.

C. This account shall be debited with cash payments made by the municipal electric utility to the operating or lessor municipality (other than payments for property or services, loans or repayment of loans); with the fair present value of property transferred from the municipal electric utility to the operating or lessor municipality; and with the cost (see § 197.33) of service rendered to the operating or owning municipality less any amounts received as payment for such services.

D. The balance in this account as of the effective date of this system of account shall be determined and journal entries setting up such balances shall be filed with the commission as provided in section 197.33.

281. Surplus
The credit balance, if any, in Surplus shall be shown under this title. (See § 197.33.)

OPERATING PROPERTY ACCOUNTS

301. Organization
302. Franchises and Consents
303. Miscellaneous Intangible Property
311. Land
312. Structures
321. Boiler Plant Equipment
322. Engine Driven Generator Units--Steam
323. Turbo-Generators--Steam
324. Accessory Electric Equipment--Steam
325. Miscellaneous Power Plant Equipment--Steam
331. Reservoirs, Dams, and Waterways
332. Roads, Trails, and Bridges
333. Water Wheels, Turbines, and Generators
334. Accessory Electric Equipment--Hydro
335. Miscellaneous Power Plant Equipment--Hydro
342. Engine Driven Generator Units--Internal Combustion
344. Accessory Electric Equipment--Internal Combustion
345. Miscellaneous Power Plant Equipment--Internal Combustion
351. Transmission Roads and Trails
352. Transmission Substation Equipment
353. Transmission Overhead Conductors
354. Transmission Underground Conductors
358. Poles, Towers, and Fixtures
359. Underground Conduits
361. Distribution Substation Equipment
362. Storage Battery Equipment
363. Distribution Overhead Conductors
364. Distribution Underground Conductors
365. Line Transformers
366. Overhead Services
367. Underground Services
368. Consumers' Meters
369. Consumers' Meter Installation
370. Other Property on Consumers' Premises
371. Street Lighting and Signal System Equipment
381. Office Equipment
382. Stores Equipment
383. Shop Equipment
384. Transportation Equipment
385. Communication Equipment
386. Laboratory Equipment
387. General Tools and Implements
388. Miscellaneous General Equipment
391. Miscellaneous Tangible Property
392. Undistributed Operating Property
301. Organization
A. This account shall include expenditures in connection with the organization of the municipal electric utility, including expense of any special election at which the enterprise was approved.
B. Expenditures incidental to such elections relating to proposed extensions of the plant and service shall be included herein only if the extensions are authorized.
302. Franchises and Consents
A. This account shall include amounts actually paid to the State or any political subdivision thereof, except the operating or lessor municipality, or to the Federal government in consideration of franchises, consents or certificates running in perpetuity or for a specified term of more than one year, together with necessary reasonable expenses incident to procuring such franchises, consents, or certificates of permission and approval.
B. If a franchise, consent, or certificate is acquired by assignment, the charge to this account must not exceed the amount actually paid therefor by the utility to the assignor nor the amount actually paid to the grantor thereof (see Public Service Law, § 69) plus the expense of acquisition to the assignee. (See § 197.27.)
C. When any franchises or consents have expired, credits to this account shall be made representing the amounts at which such items (including expenses of acquisition) are carried herein.
Note: This account shall not include periodic or other regularly recurring payments made to any political subdivision for the right to operate within its boundaries.
303. Miscellaneous Intangible Property
A. This account shall include the cost (see § 197.21) of patent rights, licenses, privileges, and other intangible property necessary or valuable to the economical conduct of electric operations and not specifically assignable to any other account.
B. The records supporting the entries to this account shall be kept so that the utility can furnish information as to each intangible item of property charged hereto, the principal from whom it was acquired and the agents who represented such principal, and the term of the life of each item.
C. When any item of intangible property expires or is canceled, this account shall be credited with such amounts as may be included in respect thereto.
311. Land
A. This account shall include the cost (see ð 197.21), including the amount of mortgages or other liens assumed, of land or interest in land used in electric operations, having a life of more than one year. This includes the first cost of acquiring leaseholds of land, easements, water rights, water diversion rights, and rights of way, but not rents payable periodically in consideration of rights so obtained. Water rights include rights of pondage, flowage, or submersion.

B. The cost of buildings and other improvements or of leaseholds of structures or equipment shall not be included in this account. If at the time of acquisition of an interest in land it extends to buildings or other improvements thereon which are used in electric operations, such improvements (except as provided in ð 197.27) shall be appraised at their fair cash value for use in such operations. The appraised value shall be excluded from this account and charged to the appropriate subdivisions of account 312, Structures. If the improvements are removed or wrecked without being used in the electric operations, the total cost including the cost of removing or wrecking shall be charged and the salvage value credited to the land account.

C. Net proceeds from the sale of timber, wood, or other property purchased with rights of way or other land shall be credited to this account.

D. Class A and Class B utilities shall subdivide this account as shown below, and all utilities shall keep their records so as to show separately the cost of each parcel of land or interest therein devoted to electric operations. Land used for more than one purpose shall be classified under the subdivision of this account indicative of its principal use.

1. Steam Power Plant Land
2. Hydro-Electric Power Plant Land
3. Internal Combustion Power Plant Land
4. Transmission System Land and Rights of Way
5. Distribution System Land and Rights of Way
6. Office Land
7. Shop Land
8. Stores Land
9. Transportation Land
10. Miscellaneous Land

ITEMS

(See ð 197.14)

Clearing land of brush, trees, and debris, when not in connection with any construction
Condemnation proceedings, including court costs and special counsel fees
Consents and abutting damages, payment for Conveyancers' and notaries' fees
Easements and rights of way, cost of, and expenses of acquisition Fees and commissions to brokers or agents Flowage rights
Forestation or trees, first planting Grading, when not a part of construction Leases having a life of more than one year, cost of, and expenses incidental to acquiring Leases, voiding, to secure possession of land
Pondage rights
Relocating property of others  
Rights of way, including costs of locating  
Sidewalks on public streets abutting utility's property  
Special assessments on the basis of benefits for new roads, new bridges, new pavements, new sewers, and other public improvements (but not any taxes levied to provide for maintenance of such improvements)  
Submersion rights  
Surveys  
Taxes assumed, accrued prior to date of transfer of title  
Title, examining, registering, clearing, insuring, and defending against claims relating to period prior to purchase  
Water diversion rights, cost of, and expenses of acquisition  
Water rights, cost of, and expenses of acquisition  

Note A: When land is acquired in excess of that required for electric operations, or for which there is not a definite plan for its use in electric operations, the cost of such land shall be charged to account 280, Contributions--Operating Municipality, if it is not intended that it be used for electric operations at any future time; if land is purchased for investment it shall be charged to account 112, Non-operating Property. If land originally charged to account 112, Non-operating Property, or to account 280, Contributions--Operating Municipality, is later used for electric operations, it shall be charged to construction work in progress or Operating Property--Electric (or Operating Property--General if partly used in other operations) at its cost when acquired. Interest and taxes actually paid (less any income received) for the period from the date of acquisition to the date of transfer may be added to the cost, provided that such charges shall not be made for a period exceeding one year except upon order of the commission.

Note B: Assessments for public improvements upon which payments are deferred shall be charged to this account in full and the unpaid balance carried in the appropriate liability account. Interest on unpaid balances shall be charged to the appropriate income deduction account.

312. Structures  

A. This account shall include the cost in place (see § 197.21) of structures used in electric operations. This includes buildings or constructions to house, support, or safeguard property or persons, with all appurtenant fixtures permanently attached thereto; improvements to land; and other structures or constructions not specifically provided for elsewhere.

B. Class A and Class B utilities shall subdivide this account as shown below, and all utilities shall keep their records so as to show separately the cost of each structure included in this account. Structures used for more than one purpose shall be classified under the subdivision of this account indicative of their principal use.

(1) Steam Power Plant Structures  
(2) Hydro-Electric Power Plant Structures  
(3) Internal Combustion Power Plant Structures  
(5) Transmission System Structures (including substation buildings)  
(6) Distribution System Structures (including substation buildings)  
(7) Office Structures  
(8) Shop Structures  
(9) Stores Structures  
(10) Transportation Structures
(11) Miscellaneous Structures

ITEMS

(See ð 197.14)

Architects' plans
Ash pits
Awnings
Boilers, furnaces, piping, wiring, fixtures, and machinery for heating, lighting, signaling, ventilating, and plumbing
Bridges and culverts
Bulkheads, including dredging, rip-rap fill, piling, decking, concrete, fenders, etc.
Chimneys
Clearing land for structures included herein
Coal bins and bunkers
Commissions and fees to brokers, agents, architects, and others
Conduits (not to be removed with their contents)
Damages to abutting property during construction
Door checks and door stops
Drainage and sewerage systems
Elevators, cranes, hoists, etc., and the machinery for operating them
Excavation, including shoring, bracing, bridging, refill, and disposal of excess excavated material
Fences and hedges
Fire protection systems
Floor covering (permanently attached)
Foundations and piers for machinery, constructed as a permanent part of a building or other unit listed herein
Grading and preparing grounds for buildings, including landscaping of grounds after construction
Improvements to leased buildings (see ð 197.17)
Leases, voiding, to secure possession of structures
Monuments and bench marks
Outside lighting systems
Painting, first
Partitions, including movable
Permits and privileges
Platforms, railings and gratings, when constructed as part of structure
Power boards for service to a building
Railroad sidings for general use
Refrigerating systems
Retaining walls
Roads
Scales, connected to and forming part of the structure
Screens
Sidewalks, pavements, and driveways on building grounds
Sprinkling systems
Stacks--brick, steel, or concrete, when set on foundations forming part of general foundation and steelwork of building
Storage facilities constituting part of a building
Storm doors and windows
Subways, areaways, and tunnels, directly connected to and forming party* of the structure

* So in original. "party" should be "part"
Tunnels, intake and discharge, when constructed as part of the structure
Vaults constructed as part of the building
Water supply system for a building or general utility purposes
Wharves
Window shades and ventilators

Note A: Do not include in this account lighting, heating, or other fixtures temporarily attached for purposes of display or demonstration.

Note B: When part of a structure is removed in order to build an extension thereto, the cost of the part removed shall be credited to this account and charged, with the cost of removal, to account 261, Depreciation Reserves.

Note C: The cost of additions and betterments, including initial improvements, to leased structures shall be charged to a subdivision of the appropriate subdivision of this account. (See ð 197.17.)

Note D: The cost of specially provided foundations not expected to outlast the machinery or apparatus for which they are provided, and the cost of angle irons, castings, etc., installed at the base of an item of equipment, shall be charged to the same account as the cost of the machinery, apparatus, or equipment.

321. Boiler Plant Equipment
This account shall include the cost installed (see ð 197.21) of furnaces, boilers, steam and feed water piping, boiler apparatus, and accessories used in the production of steam (or mercury or other binary vapor) to be used primarily for generating electricity.

ITEMS

(See ð 197.14)

Air cleaning and filtering systems, including equipment and connections devoted to boiler plant use

Air preheaters, including fans and drives, and ducts not part of building

Ash disposal equipment, including sluiceways not part of building, pumps and piping, ash pit crane, ash bucket conveyors and drives, ash cars, trestles, and tracks

Boilers, including valves attached thereto, casings, linings, water walls, safety valves, soot blowers, soot hoppers, ash hoppers, superheaters, and feed water regulators

Cinder and duct catcher system, including mechanical and electric types

Coal handling and storage equipment, including coal towers, coal lorries, coal cars, locomotives and tracks when devoted principally to transport of coal, hoppers, down-takes, unloading and hoisting equipment, skip hoists and conveyors, weighing equipment, crushers, magnetic separators, cable ways, housings and supports for coal handling equipment

Combustion Control system, including apparatus installed for the regulation and control of the supply of fuel or air to boilers

Cranes, hoists, etc., wholly identified with apparatus listed herein

Desuperheaters and reducing valves

Draft apparatus, including forced, induced, and other draft systems with blowers, fans, and air ducts not part of building

Economizers

Feed water heaters, including primary and stage

Flues, uptakes, and breeching, whether or not stacks are included in
this account
Foundations and settings, specially constructed for and not expected
to outlast the apparatus for which provided
Furnaces
Lighting systems
Mechanical meters, including gauges, recording instruments, sampling
and testing equipment
Mechanical stokers and clinker grinders, including drives (steam or
electric)
Oil burning equipment, including tanks, heaters, pumps with drive,
burner equipment, and piping
Piping system, including main steam piping to throttle valve of engine
or turbine, auxiliary steam piping, piping for main and auxiliary
exhaust, make-up water, feed water, drip, blowoff, fresh or salt water
piping (for station use), and valve control system
Platforms, railings, steps, gratings, etc., appurtenant to apparatus
listed herein
Pulverized fuel bins and hoppers
Pulverized fuel burning equipment, including fuel ignition apparatus
and piping
Pulverizing equipment, including pulverizing mills, dryers,
down-takes, separators, dust collection system, compressed air or
mechanical transport equipment
Pumps and driving units, for feed water, heater condensate, fresh or
salt water for general station use, drip, injectors
Stacks—brick, steel, and concrete, when set on separate foundations
and independent of substructure and superstructure of building
Steam regenerators
Steelwork, specially constructed for apparatus listed herein
Tanks, including surge, weighing, return, blowoff, and feed water
storage
Ventilating equipment, including items wholly identified with
apparatus listed herein
Water purification 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 structures.
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 subdivision of
subdivision (1), Steam Power Plant Structures, of account 312,
Structures.
Note C: Holders for gas and large storage tanks for fuel oil, etc.,
used for steam power production, shall be included in subdivision (1),
Steam Power Plant Structures, of account 312, Structures.
322. Engine Driven Generator Units--Steam
A. This account shall include the cost installed (see 8 197.21) of
main engine driven units used in generating electricity from steam (or
mercury or other binary vapor), and accessory equipment.
B. When the engine and generator are installed as separate units, this
account shall be subdivided as follows:
(1) Prime Movers
(2) Generators
ITEMS
Air cleaning and cooling apparatus, including blowers, drive equipment (steam or electric), air ducts not part of building, louvres, pumps, hoods, fresh or salt water piping to common header
Belting, shafting, pulleys, reduction gearing, etc.
Circulating pumps, including piping between condenser and common header of in-take and discharge system
Condensers, including condensate pumps, air and vacuum pumps, ejectors, unloading valves, and vacuum breakers
Cooling system, including towers, pumps, tanks, and piping
Crane, hoists, etc., including items wholly identified with apparatus listed herein
Engine driven units--main, including field rheostats and electric connections for self-excited units
Engines--reciprocating or rotary
Excitation system, when identified with main generating units
Foundations and settings, especially constructed for and not expected to outlast the apparatus for which provided
Generators--main, including field rheostats and electric connections for self-excited units
Governors
Lighting systems
Lubricating systems, including filters, tanks, pumps, and piping
Mechanical meters, including gauges, recording instruments, sampling and testing equipment
Piping--main exhaust, including connections between engine and condenser and between condenser and hot well
Piping--main steam, including connections from main throttle valve to cylinder
Platforms, railings, steps, gratings, etc., appurtenant to apparatus listed herein
Pressure oil systems, including accumulators, pumps, piping, etc.
Steam receivers, including piping between high and low pressure cylinders
Steelwork, specially constructed for apparatus listed herein
Throttle or inlet valve
Tunnels, intake and discharge, for condenser system, when not a part of structure
323. Turbo-Generators--Steam
A. This account shall include the cost installed (see ð 197.21) of main turbine driven units used in generating electricity from steam (or mercury or other binary vapor), and accessory equipment.
B. When the turbine and generator are installed as separate units, this account shall be subdivided as follows:
(1) Prime Movers
(2) Generators
Cranes, hoists, etc., including items wholly identified with apparatus listed herein

Excitation system, when identified with main generating units

Foundations and settings, especially constructed for and not expected to outlast the apparatus for which provided

Governors

Lighting systems

Lubricating systems, including filters, tanks, pumps, and piping sampling and testing equipment

Mechanical meters, including gauges, recording instruments, sampling and testing equipment

Piping--main exhaust, including connections between turbo-generator and condenser and between condenser and hot well

Piping--main steam, including connections from main throttle valve to cylinder

Platforms, railings, steps, gratings, etc., appurtenant to apparatus listed herein

Pressure oil systems, including accumulators, pumps, piping, etc.

Steelwork, specially constructed for apparatus listed herein

Throttle or inlet valve

Tunnels, intake and discharge, for condenser system, when not a part of structure

Turbo-generators--main, including field rheostats and electric connections for self-excited units

324. Accessory Electric Equipment--Steam

This account shall include the cost installed (see § 197.21) of accessory electric equipment used primarily in connection with the generation of electricity by steam; and also auxiliary generating equipment for the supply of electricity for auxiliaries and general station use.

ITEMS

(See § 197.14)

Auxiliary generators, including boards, compartments, switching equipment, control equipment, connections to auxiliary power bus

Batteries--control, including charging equipment, control equipment and connections

Belting, shafting, pulleys, reduction gearing, etc.

Conduits, including concrete and iron duct runs not part of building foundations and settings, specially constructed for and not expected to outlast the apparatus for which provided

Frequency changers and motor generators, for system or station ties, including starting equipment, enclosures, tap changing transformers, main high tension connections to compartments, control equipment and connections, air cleaning and cooling equipment, lubricating systems, oil draining and replenishing system.

High tension compartments--brick, concrete, or sectionalized steel, including all items permanently attached

High tension connections, including neutral and grounding system; cable and copper bus runs from generators to compartment potheads; potheads; feeder runs from compartments to station vaults, manholes, or overhead construction adjoining stations

High tension equipment--indoor and outdoor, including oil circuit breakers, truck switches, disconnect switches, reactors, current and potential transformers
Lighting systems
Main and control equipment, including turbine signal stands and connections, and connections for turbo-generator
Mechanical drives for auxiliary generators, including steam or internal combustion, with piping, valves, shafting, etc.
Motor generator sets, frequency changers, including transformers, boards, compartments, switching equipment, control equipment, connections to main or auxiliary buses
Motors
Platforms, railings, steps, gratings, etc., appurtenant to apparatus listed herein
Protective equipment, including lightning arresters, relays, circuit breakers, switches, reactors, etc.
Rotary converters
Steelwork, specially constructed for apparatus listed herein
Switchboards--main, auxiliary, excitation, control, feeder, etc., including frames, panels, instruments, switches, wiring
Test equipment, including apparatus permanently attached
Transformer banks for station ties or generators, including air cleaning and cooling equipment, ventilating system not part of a general system, control equipment and connections, compartments, switching equipment and connections, oil draining and replenishing system
Transformers, including switching equipment, boards, compartments, connections to main and auxiliary buses
Ventilating equipment, including items wholly identified with apparatus listed herein
Note: When any unit of equipment listed herein is wholly used to furnish power to equipment included in another account, its cost shall be included in such account.

325. Miscellaneous Power Plant Equipment--Steam
This account shall include the cost installed (see § 197.21) of miscellaneous equipment devoted to general station use in steam power generating stations, which is not includible in the foregoing accounts.

ITEMS

(See § 197.14)

Compressed air and vacuum cleaning systems, including tanks, compressors, exhausters, air filters, piping, etc.
Crane and hoisting equipment, including cranes, cars, crane rails, monorails, hoist, etc., with electric and mechanical connections
Foundations and settings, specially constructed for and not expected to outlast the apparatus for which provided
Miscellaneous equipment, including sampling and testing equipment, signal systems, callophones, emergency whistles and sirens, telautographs, fire alarms, atmospheric and weather indicating devices, and other similar equipment
Refrigerating system, including compressors, pumps, cooling coils, etc.
Station maintenance equipment, including lathes, shapers, planers, drill presses, hydraulic presses, grinders, etc., with motors, shafting, hangers, pulleys, etc.
Transportation equipment, used exclusively for power plant purposes
Ventilating equipment, including items wholly identified with apparatus listed herein
Note A: When any unit of equipment listed herein is wholly used in
connection with equipment included in another account, its cost shall be included in such account.

Note B: Office equipment such as desks, chairs, typewriters, calculating machines, etc., shall be included in account 381, Office Equipment.

331. Reservoirs, Dams, and Waterways
A. This account shall include the cost in place (§ 197.21) of permanent constructions used for the impounding, collecting, storing, regulating, and delivery of water to the water wheels and from the draft tubes to the tailraces, primarily for generating electricity.
B. Class A and Class B utilities shall subdivide this account as follows:
(1) Reservoirs, Dams, and Intakes
(2) Navigation Facilities
(3) Waterways
(4) Forebays, Penstocks, and Tailraces

ITEMS
(See § 197.14)

Bridges and culverts
Clearing and preparing land
Dams, including wasteways, spillways, flashboards, spillway gates with operating and control mechanisms, tunnels, gate houses, and fish ladders
Embankments
Excavation, including shoring, bracing, bridging, refill, and disposal of excess excavated material
Foundations and settings, specially constructed for and not expected to outlast the apparatus for which provided
Intakes, including trash rack, rack cleaners, control gates and valves with operating mechanisms, intake house when not part of station structure
Lighting systems
Platforms, railings, steps, gratings, etc., appurtenant to structures and equipment listed herein
Power lines wholly identified with items included herein
Raising and relocating public roads and bridges
Retaining walls
Water conductors and accessories, including canals, navigation locks and operating mechanisms, tunnels, flumes, penstocks, pipe conductors, forebays, tailraces, water-hammer and surge tanks, and supporting trestles and structures
Water storage reservoirs, including dams, flashboards, spillway gates and operating mechanism, inlet and outlet tunnels, regulating valves and valve towers, silt and mud sluicing tunnels with valve or gate towers, and all other structures wholly identified with any of the foregoing items
Note A: Nozzles and valves at water wheels shall be charged to account 333, Water Wheels, Turbines, and Generators.
Note B: When the structure of a dam forms also the foundation of the power plant buildings, such foundation shall be considered a part of the dam.

332. Roads, Trails, and Bridges
This account shall include the cost (see § 197.21) of permanent roads, trails, bridges, and railroads, which are not immediately adjacent to the generating plant proper, used primarily in connection with the
production of electricity by water power.

ITEMS
(See ð 197.14)

Bridges, including foundations, piers, girders, trusses, flooring, etc.

Clearing land
Railroads, including grading, ballast, ties, rails, culverts, hoists, etc.

Roads, including grading, surfacing, culverts, etc.
Structures, constructed and maintained in connection with items listed herein

Trails, including grading, surfacing, culverts, etc.
Trestles, including foundations, piers, girders, trusses, flooring, etc.

Note: This account shall include the cost of only such private roads, trails, railroads, bridges, etc., as it is necessary to maintain and use in the operation and maintenance of the hydraulic power plant. The cost of those used for construction but abandoned upon completion thereof shall be included in the accounts to which such construction was charged.

333. Water Wheels, Turbines, and Generators

A. This account shall include the cost installed (see ð 197.21) of main water wheels and hydraulic turbines (from connection with penstock or flume to tailrace) and generators driven thereby used in generating electricity by water power.

B. When the generator and prime mover are installed as separate units, this account shall be subdivided as follows:

(1) Prime Movers
(2) Generators

ITEMS
(See ð 197.14)

Air cleaning and cooling apparatus, including blowers, drive equipment, air ducts not part of building, louvres, pumps, hoods, fresh water piping to common header

Belting, shafting, pulleys, reduction gearing, etc.

Cranes, hoists, etc., including items wholly identified with apparatus listed herein

Excitation system, when identified with main generating units

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

Generators--main, including field rheostats and electric connections for self-excited units

Governors
Lighting systems
Lubricating Systems

Mechanical meters, including gauges, recording instruments, water flow meters, water flow registers, etc.

Nozzles--main and auxiliary
Platforms, railings, steps, gratings, etc., appurtenant to apparatus listed herein

Pressure regulators
Relief valves

Steelwork, specially constructed for apparatus listed herein

Turbines and water wheels--main
Turbo-generator and water wheel units--main, including field rheostats and electric connections for self-excited units

334. Accessory Electric Equipment--Hydro

This account shall include the cost installed (see § 197.21) of accessory electric equipment used primarily in connection with the generation of electricity by water power; and also auxiliary generating equipment for the supply of electricity for auxiliaries and general station use.

ITEMS
(See § 197.14)

Auxiliary generators, including boards, compartments, switching equipment, control equipment, connections to auxiliary power bus

Batteries--control, including charging equipment, control equipment and connections

Belting, shafting, pulleys, reduction gearing, etc.

Conduits, including concrete and iron duct runs not part of building

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

Frequency changers and motor generators, for system or station ties, including starting equipment, enclosures, tap changing transformers, main high tension connections to compartments, control equipment and connections, air cleaning and cooling equipment, lubricating systems, oil draining and replenishing system

High tension compartments--brick, concrete, or sectionalized steel, including all items permanently attached

High tension connections, including neutral and grounding system; cable and copper bus runs from generators to compartment potheads; potheads; feeder runs from compartments to station vaults, manholes, or overhead construction adjoining stations

High tension equipment--indoor and outdoor, including oil circuit breakers, truck switches, disconnect switches, reactors, current and potential transformers

Lighting systems

Main and control equipment, including turbine signal stands and connections for turbo-generator

Mechanical drives for auxiliary generators, including steam or internal combustion, with piping, valves, shafting, etc.

Motor generator sets, frequency changers, including transformers, boards, compartments, switching equipment, control equipment, connections to main or auxiliary buses

Motors

Platforms, railings, steps, gratings, etc., appurtenant to apparatus listed herein

Protective equipment, including lightning arresters, relays, circuit breakers, switches, reactors, etc.

Rotary converters

Steelwork, specially constructed for apparatus listed herein

Switchboards--main, auxiliary, excitation, control, feeder, etc., including frames, panels, instruments, switches, wiring

Test equipment, including apparatus permanently attached

Transformer banks for station ties or generators, including air cleaning and cooling equipment, ventilating system not part of a general system, control equipment and connections, compartments, switching equipment and connections, oil draining and replenishing system
Transformers, including switching equipment, boards, compartments, connections to main and auxiliary buses
Ventilating equipment, including items wholly identified with apparatus listed herein
Note: When any unit of equipment listed herein is wholly used to furnish power to equipment included in another account, its cost shall be included in such account.

335. Miscellaneous Power Plant Equipment-Hydro
This account shall include the cost installed (see § 197.21) of miscellaneous equipment devoted to general station use in water power plants which is not includible in the foregoing accounts.

ITEMS
(See §197.14)
Compressed air and vacuum cleaning systems, including tanks, compressors, exhausters, air filters, piping, etc.
Cranes and hoisting equipment, including cranes, cars, crane rails, monorails, hoists, etc., with electric and mechanical connections
Foundations and settings, specially constructed for and not expected to outlast the apparatus for which provided
Miscellaneous equipment, including sampling and testing equipment, signal systems, callophones, emergency whistles and sirens, telautographs, fire alarms, atmospheric and weather indicating devices, and other similar equipment
Refrigerating system, including compressors, pumps, cooling coils, etc.
Station maintenance equipment, including lathes, shapers, planers, drill presses, hydraulic presses, grinders, etc., with motors, shafting, hangers, pulleys, etc.
Transportation equipment used exclusively for power plant purposes
Ventilating equipment, including items wholly identified with apparatus listed herein
Note A: When any unit of equipment listed herein is wholly used in connection with equipment included in another account, its cost shall be included in such account.
Note B: Office equipment such as desks, chairs, typewriters, calculating machines, etc., shall be included in account 381, Office Equipment.

342. Engine Driven Generator Units--Internal Combustion
A. This account shall include the cost installed (see § 197.21) of Diesel or other internal combustion engines and generators driven thereby used in generating electricity.
B. When the prime mover and generator are installed as separate units, this account shall be subdivided as follows:
(1) Prime Movers
(2) Generators

ITEMS
(See §197.14)
Air cleaning and cooling apparatus, including blowers, drive equipment, air ducts not part of building, louvres, pumps, hoods, fresh or salt water piping to common header
Belting, shafting, pulleys, reduction gearing, etc.
Compressed air or other starting systems, including compressors and drives, tanks, piping, motors, boards and connections, storage tanks, etc.
Cooling system, including towers, pumps, tanks, and piping
Cranes, hoists, etc., including items wholly identified with apparatus listed herein
Engine driven units-main, diesel, gasoline, gas, or other internal combustion, including field rheostats and electric connections for self-excited units
Engines-diesel, gasoline, gas, or other internal combustion
Excitation system, when identified with main generating units
Foundations and settings, specially constructed for and not expected to outlast the apparatus for which provided
Generators--main, including field rheostats and electric connections for self-excited units
Governors
Ignition system
Inlet valve
Lighting systems
Lubricating systems, including filters, tanks, pumps, and piping
Mechanical meters, including gauges, recording instruments, sampling and testing equipment
Mufflers
Piping
Platforms, railings, steps, gratings etc., appurtenant to apparatus listed herein
Steelwork, specially constructed for apparatus listed herein

344. Accessory Electric Equipment--Internal Combustion
This account shall include the cost installed (see § 197.21) of accessory electric equipment used primarily in connection with the generation of electricity by Diesel or other internal combustion engines, and also for the supply of electricity for auxiliaries and general station use.

ITEMS
(See § 197.14)

Auxiliary generators, including boards, compartments, switching equipment, control equipment, connections to auxiliary power bus
Batteries--control, including charging equipment, control equipment and connections
Belting, shafting, pulleys, reduction gearing, etc.
Conduits, including concrete and iron duct runs not part of building Foundations and settings, specially constructed for and not expected to outlast the apparatus for which provided
Frequency changers and motor generators, for system or station ties, including starting equipment, enclosures, tap changing transformers, main high tension connections to compartments, control equipment and connections, air cleaning and cooling equipment, lubricating systems, oil draining and replenishing system High tension compartments--brick, concrete, or sectionalized steel, including all items permanently attached High tension connections, including neutral and grounding system; cable and copper bus runs from generators to compartment potheads; potheads; feeder runs from compartments to station vaults, manholes, or overhead construction adjoining stations
High tension equipment--indoor and outdoor, including oil circuit breakers, truck switches, disconnect switches, reactors, current and potential transformers
Lighting systems
Main and control equipment, including signal stands and connections for generators. Mechanical drive for auxiliary generators, including steam or internal combustion, with piping, valves, shafting, etc.

Motor generator sets, frequency changers, including transformers, boards, compartments, switching equipment, control equipment, connections to main or auxiliary buses.

Motors
Platforms, railings, steps, gratings, etc., appurtenant to apparatus listed herein
Protective equipment, including lightning arresters, relays, circuit breakers, switches, reactors, etc.
Rotary converters
Steelwork, specially constructed for apparatus listed herein
Switchboards—main, auxiliary, excitation, control, feeder, etc., including frames, panels, instruments, switches, wiring
Test equipment, including apparatus permanently attached
Transformer banks for station ties or generators, including air cleaning and cooling equipment, ventilating system not part of a general system, control equipment and connections, compartments, switching equipment and connections, oil draining and replenishing system
Transformers, including switching equipment, boards, compartments, connections to main and auxiliary buses
Ventilating equipment, including items wholly identified with apparatus listed herein

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

345. Miscellaneous Power Plant Equipment—Internal combustion
A. This account shall include the cost installed (see § 197.21) of miscellaneous equipment devoted to general station use in internal combustion power plants which is not includible in the foregoing accounts.
B. This account shall also include the cost of equipment used in the production of oil or gas for use in internal combustion engines.

ITEMS
(See § 197.14)
Compressed air and vacuum cleaning systems, including tanks, compressors, exhausters, air filters, piping, etc.
Cranes and hoisting equipment, including cranes, cars, crane rails, monorails, hoists, etc., with electric and mechanical connections
Foundations and settings, specially constructed for and not expected to outlast the apparatus for which provided
Gas production equipment, including wells, producers, economizers, regenerators, vaporizers, steam injectors, scrubbers, exhauster outfits, seals, boilers and pumps, flues and piping, blower engines, ash disposal equipment, coal and coke storage and handling equipment, etc.
Miscellaneous equipment, including sampling and testing equipment, signal systems, callophones, emergency whistles and sirens, telautographs, fire alarms, atmospheric and weather indicating devices, and other similar equipment
Oil production equipment
Refrigerating system, including compressors, pumps, cooling coils, etc.
Station Maintenance equipment, including lathes, shapers, planers,
drill presses, hydraulic presses, grinders, etc., with motors, shafting, hangers, pulleys, etc.
Storage tanks, pumps and drive, piping, heaters, etc.
Supply and exhaust equipment, including tanks and holders, exhausters, piping to inlet of engine, exhaust pipe from engine
Ventilating equipment, including items wholly identified with apparatus listed herein

Note A: When any unit of equipment included within the scope of paragraph A hereof is wholly used in connection with equipment included in another account, its cost shall be included in such account.
Note B: Office equipment such as desks, chairs, typewriters, calculating machines, etc., shall be included in account 381, Office Equipment.
Note C: Holders for gas and large storage tanks for oil, gasoline, etc., shall be included in subdivision (3), internal Combustion Power Plant Structures, of account 312, Structures.

351. Transmission Roads and Trails
This account shall include the cost (see ð 197.21) of permanent roads, trails, and bridges used primarily in connection with the operation or maintenance of the transmission system whether located on the transmission line right of way or elsewhere

ITEMS
(See ð 197.14)
Bridges, including foundations, piers, girders, trusses, flooring, etc.
Clearing land
Railroads, including grading, ballast, ties, rails, culverts, hoists, etc.
Roads, including grading, surfacing, culverts, etc.
Structures, constructed and maintained in connection with items listed herein
Trails, including grading, surfacing, culverts, etc.
Trestles, including foundations, piers, girders, trusses, flooring, etc.

Note: This account shall include the cost of only such private roads, trails, bridges, etc., as it is necessary to maintain and use in the operation and maintenance of the transmission system. The cost of those used for construction but abandoned upon completion thereof, shall be included in the accounts to which such construction was charged.

352. Transmission Substation Equipment
This account shall include the cost installed (see ð 197.21) of substation equipment and transformers which are used for the purpose of changing the characteristics of electricity in connection with its transmission and which both receive and send out the electricity on transmission lines. (See ð 197.35.)

ITEMS
(See ð 197.14)
Batteries--control, including charging equipment and connections
Bus compartments--concrete, brick, and sectionalized steel, including items permanently attached thereto
Conduits, including concrete and iron duct runs not part of building
Equipment for general station use, including transformers, batteries, motor generators, blowers, etc., and connections
Fences
Fixed or rotary condensers, including transformers, switching equipment, blowers, and connections
Foundations and settings, specially constructed for and not expected to outlast the apparatus for which provided
Frequency changers and motor generators, including switching equipment, transformers, and connections
Lighting systems
Meters, station
Motors
Operators' boards, including instruments, boards, and connections
Platforms, railings, steps, gratings, etc., appurtenant to apparatus listed herein
Primary and secondary voltage connections, including bus runs and supports, insulators, potheads, lighting arresters, grounding system, cable and wire runs from and to outdoor connections or to manhole
Rectifiers
Regulators and reactors
Remote control equipment, including relays, boards, cabinets, and connections
Remote control wire and cable controlling equipment included in this account, and poles, towers, and fixtures or conduits used exclusively for such wire or cable
Steelwork, specially constructed for apparatus listed herein
Switching equipment--indoor and outdoor, including oil circuit breakers, truck switches, disconnect switches, syphon system
Test equipment, including apparatus permanently attached
Transformers--indoor and outdoor, including connections to high and low voltage switching equipment, oil draining and replenishing system
Ventilating equipment, including items wholly identified with apparatus listed herein
Note: This account shall not include any equipment located in generating stations or substations, or any transformers, which receive electricity from transmission lines or generating stations, and send out electricity on distribution lines.

353. Transmission Overhead Conductors
This account shall include the cost installed (see § 197.21) of overhead conductors and line devices used on transmission lines. (See § 197.35.)

ITEMS
(See § 197.14)
Conductors, including insulated and bare wires and cables
Insulators, including pin, suspension, and other types
Line devices, including ground wires, disconnect or sectionalizing switches, lighting arresters, circuit breakers, etc.
Railroad crossing guards
Splices
Note A: This account shall not include switches or lightning arresters installed in generating stations or substations for the protection of equipment therein.
Note B: This account shall not include pothead, or conductors in standpipe attached to pole or tower from insulators on pole to underground manholes and terminal chambers.

354. Transmission Underground Conductors
This account shall include the cost installed (see § 197.21) of
underground conductors and line devices used on transmission lines. (See § 197.35.)

ITEMS
(See § 197.14)

Armored conductors--buried, including insulators, insulating materials, splices, potheads, trenching, etc.
Armored conductors--submarine, including insulators, insulating materials, splices in terminal chamber, potheads, etc.
Cables in standpipe, including pothead and connection from terminal chamber or manhole to insulators on pole
Fireproofing, in connection with any items listed herein
Hollow core oil filled cable, including straight or stop joints, pressure tanks, auxiliary air tanks, feeding tanks, terminals, potheads and connections, ventilating equipment, etc.
Lead and fabric covered conductors, including insulators, compound filled, oil filled, or vacuum splices, potheads, etc.
Line devices, including manual and automatic, disconnect or sectionalizing switches, circuit breakers, relays, etc.
Municipal inspection, payment for (See also § 197.33.)
Pavement disturbed, including cutting and replacing pavement, pavement base, and sidewalks (See also § 197.33.)
Permits (See also § 197.33.)
Protection of street openings
Racking of cables

Note A: This account shall not include switches or lightning arresters installed in generating stations or substations for the protection of equipment therein.

358. Poles, Towers, and Fixtures
A. This account shall include the cost installed (see § 197.21) of poles and other structures and appurtenant fixtures used for supporting overhead conductors.
B. This account shall be subdivided as follows:
(1) Poles (or towers) supporting transmission conductors only
(2) Poles (or towers) which do not support transmission conductors

ITEMS
(See § 197.14)

Towers, including anchors and guys; braces; brackets; crossarms; excavation, back-fill, and disposal of excess excavated material; grounds for tower structures; foundations; guards; railings, etc.; insulator pins and suspension bolts; ladders; steps
Wood, tubular steel, and concrete poles, including anchor; head, arm, and other guys (including guy guards, strain insulators, guy clamps, pole plates, etc.); brackets; crossarms and braces; excavation, backfill, and disposal of excess excavated material; extension arms, insulator pins; paving; pole steps; settings; transformer platforms; first cost of shaving, painting, gaining, roofing, stenciling, and tagging

Note A: The subdivisions indicated above relate to the accounting utility's use only, and such use shall control the accounting for its property irrespective of any use made of the same property by others either under joint ownership or lease.

Note B: The utility shall maintain a statistical record to show separately for each pole or tower the number and size of the conductors used for (a) transmission, (b) distribution, (c) street lighting, (d)
signal systems, and (e) other purposes. This record shall also show the percentage of ownership.

359. Underground Conduits
A. This account shall include the cost installed (see ð 197.21) of underground conduits and tunnels used for housing cables and wires.
B. This account shall be subdivided as follows:
   (1) Conduit banks used for transmission conductors only
   (2) Conduit banks used for distribution conductors only
   (3) Conduit banks used for street lighting and/or signal system conductors only
   (4) Conduit banks used for two or more of the above classes of conductors
   (5) Conduit banks unoccupied and/or rented to others

ITEMS
(See ð 197.14)
Conduits—concrete, brick, and tile, including iron pipe, fibre pipe, Murray Duct, standpipe on pole or tower
Excavation, including shoring, bracing, bridging, backfill, and disposal of excess excavated material
Foundations and settings, specially constructed for and not expected to outlast the apparatus for which provided
Lighting systems
Manholes—concrete or brick, including iron or steel frames and covers, hatchways, gratings, ladders, cable racks and hangers, etc., permanently attached to manholes
Municipal inspection (See also ð 197.33.)
Pavement disturbed, including cutting and replacing pavement, pavement base, and sidewalks (See also ð 197.33.)
Permits (See also ð 197.33.)
Protection of street openings
Removal and relocation of subsurface obstructions (See also ð 197.33.)
Sewer connections, including drains, traps, tide valves, check valves, etc.
Structures, housing underground line transformers and accessories
Sumps, including pumps
Transformer vaults
Ventilating equipment
Note A: The subdivisions indicated above relate to the accounting utility’s use only, and such use shall control the accounting for its property irrespective of any use made of the same property by others either under joint ownership or lease.
Note B: The utility shall maintain a statistical record to show separately for each bank of conduit included in class (4) the number of ducts used by it for each purpose listed above, the number used for other purposes, and the number vacant.
Note C: Do not include in this account underground conduits on power plant or substation sites used primarily for cables included in account 324, 334, 344, or 352.

361. Distribution Substation Equipment
This account shall include the cost installed (see ð 197.21) of substation equipment which is used for the purpose of changing the characteristics of electricity in connection with its distribution (see ð 197.35), and transformers other than line transformers.

ITEMS
Batteries—control, including charging equipment and connections
Bus compartment—concrete, brick, and sectionalized steel, including items permanently attached thereto
Conduits, including concrete and iron duct runs not part of building.
Equipment for general station use, including transformers, batteries, motor generators, blowers, etc., and connections
Fences
Fixed or rotary condensers, including transformers, switching equipment, blowers, and connections
Foundations and settings, specially constructed for and not expected to outlast the apparatus for which provided
Frequency changers and motor generators, including switching equipment, transformers, and connections
Lighting systems
Motors
Operators' boards, including instruments, boards, and connections
Platforms, railings, steps, gratings, etc., appurtenant to apparatus listed herein
Primary and secondary voltage connections, including bus runs and supports, insulators, potheads, lightning arresters, grounding system, cable and wire runs from and to outdoor connections or to manhole
Rectifiers
Regulators and reactors
Remote control equipment, including relays, boards, cabinets, and connections
Remote control wire and cable controlling equipment included in this account, and poles, towers, and fixtures or conduits used exclusively for such wire or cable
Rotary converters, including switching equipment, transformers, starting equipment, and connections
Steelwork, specially constructed for items listed herein
Switching equipment—indoor and outdoor, including oil circuit breakers, truck switches, disconnect switches, syphon system
Test equipment, including apparatus permanently attached
Transformers—indoor and outdoor, including connections to high and low voltage switching equipment, oil draining and replenishing system
Ventilating equipment, including items wholly identified with apparatus listed herein

Note A: This account shall not include line transformers installed for stepping down current from primary distribution voltage to the voltage at which it is used by the consumers.

Note B: This account shall include the cost of one or more transformers which the utility has installed at the point where current is taken from its transmission or distribution line by a large power consumer, when such transformers are used to step down the current from the voltage at which it is carried on the utility's line to the voltage at which it is delivered to such consumer to be transformed or converted within the consumers' own plant.

362. Storage Battery Equipment
This account shall include the cost installed (see § 197.21) of storage battery equipment used for the purpose of supplying electricity to meet emergency or peak demands of consumers.
Batteries, including elements, tanks, tank insulators, etc.
Battery room connections, including cable or bus runs and connections
Battery room flooring, when specially laid for supporting batteries
Charging equipment, including motor generator sets and other charging
equipment and connections, cable runs from generator or substation bus
to battery room connections
Miscellaneous equipment, including instruments, water stills, etc.
Switching, equipment, including end cell switches and connections,
boards and panels, used exclusively for battery control, not part of
general station switchboard
Ventilating equipment, including fans and motors, louvres, ducts not
part of building
Note: Storage batteries used for control and general station purposes
shall not be included in this account but in the account appropriate for
their use.

363. Distribution Overhead Conductors
A. This account shall include the cost installed (see ¶ 197.21) of
overhead conductors and line devices used on distribution lines. (See ¶
197.35.)
B. This account shall be subdivided by utilities in Classes A, B, and
C as follows:
(1) Primary Alternating Current
(2) Secondary Alternating Current
(3) Direct Current

ITEMS
(See ¶ 197.14)
Conductors, including insulated and bare wire and cables
Insulators, including pin, suspension, and other types
Line devices, including ground wires, sectionalizing switches, circuit
breakers, line cut-outs, fuse boxes, lightning arresters, etc.
Splices
Note A: Primary lines comprise cables, wires, and accessory line
devices from the substation or other point of origin of the distribution
line to the line transformer or network transformer or to the service
connections of high tension consumers "secondary" lines comprise cables,
wires, and accessory line devices from the line transformer or network
transformer to the service connection leading to premises of consumers.
Note B: The cost of conductors used solely for street lighting or
signal systems shall not be included in this account.
Note C: This account shall not include pothead, or conductors in
standpipe attached to pole or tower from insulators on pole to
underground manholes and terminal chambers.
Note D: The cost of protective devices, except network protectors, on
distribution lines may be included wholly in either account 363,
Distribution Overhead Conductors, 364, Distribution Underground
Conductors, as appropriate, or wholly in account 365, Line Transformers;
provided that each utility shall notify the commission of the accounting
practice adopted, which shall be consistently followed for all such
equipment.

364. Distribution Underground Conductors
A. This account shall include the cost installed (see ¶ 197.21) of
underground conductors and line devices used on distribution lines. (See
¶ 197.35.)
B. This account shall be subdivided by utilities in Classes A, B, and C as follows:

(1) Primary Alternating Current
(2) Secondary Alternating Current
(3) Direct Current Feeders and Mains
(4) Edison tube

ITEMS
(See § 197.14)

- Armored conductors--buried, including insulators, insulating materials, splices, pot-heads, trenching, etc.
- Armored conductors--submarine, including insulators, insulating materials, splices in terminal chamber, potheads, etc.
- Cables in standpipe, including pothead and connection from terminal chamber or manhole to insulators on pole
- Edison junction boxes, including compound, splicing materials, trenching, etc.
- Edison tube, including coupling boxes and bells, compound, splicing materials, trenching, etc.
- Fireproofing in connection with any items listed herein
- Lead and fabric covered conductors, including insulators, splices, potheads, etc.
- Line devices, including manual and automatic, disconnect or sectionalizing switches, circuit breakers, relays, etc.
- Manhole type junction boxes
- Municipal inspection (See also § 197.33.)
- Pavement disturbed, including cutting and replacing pavement, pavement base, and sidewalks (See also § 197.33.)
- Permits (See also § 197.33.)
- Protection of street openings
- Racking of cables

Note A: Primary lines comprise cables, wires, and accessory line devices from the substation or other point of origin of the distribution line to the line transformer or network transformer or to the service connections of high tension consumers. Secondary lines comprise cables, wires, and accessory line devices from the line transformer or network transformer to the service connection leading to premises of consumers.

Note B: The cost of conductors used solely for street lighting or signal systems shall not be included in this account.

Note C: The cost of protective devices, except network protectors, on distribution lines may be included wholly in either account 363, Distribution Overhead Conductors, 364, Distribution Underground Conductors, as appropriate, or wholly in account 365, Line Transformers; provided that each utility shall notify the commission of the accounting practice adopted, which shall be consistently followed for all such equipment.

365. Line Transformers
A. This account shall include the cost of overhead and underground distribution line transformers, pole-type and underground voltage regulators and network protectors owned by the utility, for use in transforming electric energy to secondary voltages (i.e., voltages, usually 660 volts or less, at which the energy is ordinarily supplied to low tension consumers), whether actually in service or held in reserve, also the cost of auto, phase changing, and sign lighting transformers for use in connection with service connections to consumers' premises.
This account shall include the cost of labor employed, materials used and expenses incurred in connection with the first installation of line transformers, voltage regulators, etc., the cost of which is included in this account.

B. This account shall be subdivided to show separately according to location:
   (1) Overhead
   (2) Underground

C. When a line transformer or other retirement unit is permanently retired from service, the cost thereof and the cost of its installation included herein shall be credited to this account.

D. The records covering line transformers shall be so kept that the utility can furnish the number of transformers of various capacities in service and those in reserve, and the location and the use of each transformer.

E. In respect to installation costs, this account may be divided into two subaccounts: subdivision 1 to include the labor, transportation and other components of costs (see § 197.21) applicable thereto involved in placing the transformers, network protectors, or voltage regulators included herein; subdivision 2 to include the cost installed of associated items of equipment includible in this account such as lightning arresters, cut outs, grounds, wiring and other permanent attachments. When this is done, the entire amount included in subdivision 2 at a location shall be considered one or more retirement units to be retired only when a complete retirement unit is removed or the location abandoned.

ITEMS
   (See § 197.14)

Capacitors
Ground connections
   Installation, labor of (first installation only)
Network protectors
Transformer cut-out boxes, installed (first set)
Transformer lightning arresters, installed (first set)
Transformers, line and network
Voltage regulators

Note A: The cost of line transformers may be excluded from this account and carried in account 123, Materials and Supplies, until their initial installation.

Note B: The cost of transformers used solely for street lighting or signal systems shall not be included in this account.

Note C: The cost of protective devices, except network protectors, on distribution lines may be included wholly in either account 363, Distribution Overhead Conductors, 364, Distribution Underground Conductors, as appropriate, or wholly in this account; provided that each utility shall notify the commission of the accounting practice adopted, which shall be consistently followed for all such equipment.

Note D: 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 123, Materials and Supplies.

366. Overhead Services
A. This account shall include the cost installed (see § 197.21) of overhead conductors leading from the last pole of the transmission or distribution line to the point of connection with the consumer's wiring,
when the utility incurs such cost or when the utility assumes full responsibility for maintenance and replacement of property paid for by the consumer.

**ITEMS**

(See ð 197.14)

Brackets
Cables and wires
Insulators
Poles and attachments, located on consumer's premises and used solely for service to such consumer
Service switch
Suspension wire

Note A: When a consumer pays all or part of the cost of the service and such cost is properly includible in this account, the amount borne or contributed by the consumer shall be credited to account 263, Contributions for Extensions.

Note B: The utility shall maintain statistical records showing separately the number of alternating and the number of direct current services, subdivided between high tension and low tension, and the total circuit feet in each class, and further classified to show:
(a) Services whereto meters are connected.
(b) Services whereto no meters are connected.

**367. Underground Services**

A. This account shall include the cost installed (see ð 197.21) of underground conductors leading from a point where wires leave the distribution box or manhole, or the last pole of the transmission or distribution line, to the point of connection with the consumer's wiring, when the utility incurs such cost or when the utility assumes full responsibility for maintenance and replacement of property paid for by the consumer.

**ITEMS**

(See ð 197.14)

Cables and wires
Conduit
Overhead to underground, including conduit or standpipe, and conductor from last splice on pole to connection with consumer's wiring
Municipal inspection (See also ð 197.33.)
Pavement disturbed, including cutting and replacing pavement, pavement base, and sidewalks (See also ð 197.33.)
Permits (See also ð 197.33.)
Protection of street openings
Service switch

Note A: When a consumer pays all or part of the cost of the service and such cost is properly includible in this account, the amount borne or contributed by the consumer shall be credited to account 263, Contributions for Extensions.

Note B: The utility shall maintain statistical records showing separately the number of alternating and the number of direct current services, subdivided between high tension and low tension, and the total circuit feet in each class, and further classified to show:
(a) Services whereto meters are connected.
(b) Services whereto no meters are connected.

**368. Consumers' Meters**

This account shall include the cost (see ð 197.21) of meters or
devices and appurtenances thereto owned by the utility for use in measuring the electricity delivered to individual consumers.

ITEMS
(See ø 197.14)

Alternating current watthour meters
Current limiting devices
Demand indicators
Demand meters
Direct current watthour meters
Graphic demand meters
Instrument transformers
Maximum demand meters
Meter badges and their attachments
Meter boards
Meter fittings, connections, and shelves (first set)
Meter switches and cut-outs
Prepayment meters
Protective devices
Testing new meters

Note A: The cost of setting, removing, or resetting consumers' meters shall not be charged to this account. (See account 369, Consumers' Meter installation, and account 741.52, Removing and Resetting Meters.)

Note B: The utility shall maintain a statistical record to show separately for each type and capacity of meter the number of utility-owned meters installed on consumers' premises (subdivided between active and cut out), and the cost thereof; the number of utility-owned meters carried herein but not installed on consumers' premises, including meters undergoing repairs, and the cost thereof; and the number of meters owned by consumers. (See also account 263, Contributions for Extensions.)

Note C: The cost of consumers' meters may be excluded from this account and carried in account 123, Materials and Supplies, until their initial installation.

369. Consumers' Meter Installation
A. This account shall include the cost (ø 197.21) to the utility of the first setting of meters or devices and appurtenances thereto used in measuring electricity delivered to individual consumers, the book cost of which is included in account 368, Consumers' Meters; also the cost to the utility of installations of meters owned by consumers. (See also account 263, Contributions for Extensions.)

B. When any metered service is discontinued and the meter removed and not immediately replaced (except in the case of seasonal consumers), this account shall be credited with an amount representing the actual or the average meter installation cost, if such installation cost is included herein.

Note A: The cost of removing consumers' meters and of setting meters substituted for them shall not be charged to this account but to account 741.52, Removing and Resetting Meters.

Note B: The utility shall maintain statistical records to show for meters in service separately for utility-owned meters and meters owned by consumer (1), the number of installations the cost of which is included herein, and (2), the number of meter installations which prior to the effective date of this system of accounts were charged to operating expenses.
Note C: Charges made to consumers for connection, disconnection, or reconnection of meters shall be credited to account 622, Miscellaneous Electric Revenues.

370. Other Property on Consumers' Premises
This account shall include the cost (see ð 197.21), including first setting and connecting, of equipment owned by the utility installed on consumers' premises which is not elsewhere provided for. (See also account 371, Street Lighting and Signal System Equipment.)

ITEMS
(See ð 197.14)

Appliances leased to consumers
Arc lights
Cable vaults
Foundations and settings, specially provided for equipment installed
Frequency changer sets
Lamps (bulbs) leased to consumers or supplied under tariff rates, first installation
Motor generator sets
Motors
Switchboard panels, high or low tension
Wire and cable connections to incoming cables

371. Street Lighting and Signal System Equipment
A. This account shall include the cost installed (see ð 197.21) to the utility of property used wholly for street lighting and/or traffic, fire alarm, police, and other signal systems if the utility pays for repairs and replacements thereof. If repairs and replacements are made by the operating municipality, the costs of such equipment shall not be included herein.

B. This account shall be subdivided as follows:
(1) Overhead Systems
(2) Underground Systems

ITEMS
(See ð 197.14)

Armored conductors--buried or submarine, including insulators, insulating materials, splices, trenching, etc.
Automatic control equipment
Conductors--overhead or underground, including lead or fabric covered, parking cables, etc., including splices, insulators, etc.
Lamps--arc, incandescent, or other types, including glassware, suspension fixtures, brackets, etc.
Municipal inspection (See also ð 197.33.)
Ornamental lamp posts
Pavement disturbed, including cutting and replacing pavement, pavement base, and sidewalks (See also ð 197.33.)
Permits (See also ð 197.33.)
Posts and standards
Protection of street openings
Relays or time clocks
Series contactors
Switches
Transformers, pole or underground

Note A: When readily accessible, cost of private street lighting equipment shall be carried in a separate subdivision of this account.

Note C: Utilities may subdivide this account to show the cost of
street lighting equipment separately from signal system equipment.

381. Office Equipment
A. This account shall include the cost installed (see ð 197.21) of utility-owned furniture and office equipment whether used in offices or elsewhere when such equipment is not an integral part of the housing structure.
B. If the utility has equipment included in this account at more than one location, separate records shall be maintained for each location.

ITEMS
(See ð 197.14)

- Addressing machines
- Benches
- Billing machines
- Book cases
- Card punching and sorting machines
- Carpets
- Cash registers
- Chairs and stools
- Checkwriters
- Chronograph systems
- Clocks
- Computing machines
- Counters
- Desks
- Equipment in drafting, rest, dining, recreation, and medical rooms
- Fans

Note A: Small articles of slight value or of short life shall not be charged to this account but to the appropriate expense account.

382. Stores Equipment
A. This account shall include the cost installed (see ð 197.21) of utility-owned equipment used in storehouses when such equipment is not an integral part of the housing structure.
B. If the utility has storehouses at more than one location, separate records shall be maintained for each location.

ITEMS
(See ð 197.14)

- Chain falls
- Counters
- Cranes (portable)
- Furniture
- Hoists
- Lockers

383. Shop Equipment
A. This account shall include the cost installed (see ð 197.21) of utility-owned equipment used in shops when such equipment is not an integral part of the housing structure.
B. If the utility has shops at more than one location, separate records shall be maintained for each location.

ITEMS
(See ð 197.14)

- Anvils
- Belts, shafts and countershafts
- Gas producers
- Lathes
Boilers  Lockers
Cranes and hoists  Machine tools
Drill presses  Motor driven hand tools
Electric equipment  Motors and engines
Engines  Pipe cutting and threading machines
Forges  Pneumatic tools
Foundations and settings, specially constructed for and not expected to outlast apparatus for which provided  Smithing equipment
Furnaces  Time registers and time clocks
Furniture  Tool racks
Note A: The cost of small portable tools and implements, such as hammers, screw drivers, saws, wrenches, files, jacks, wire cutters, climbing irons, shovels, etc., shall not be charged to this account. Such items shall be carried in account 123, Materials and Supplies, until issued for use, when such account shall be credited and the appropriate work order or account charged with the cost of tools or implements so issued.

384. Transportation Equipment
A. This account shall include the cost installed (see § 197.21) of utility-owned transportation and garage equipment when such equipment is not an integral part of the housing structure.
B. If the utility has garages at more than one location, separate records shall be maintained for each location.

ITEMS
(See § 197.14)

Airplanes and other aviation equipment  Horses, wagons, and harness equipment
Automobile repair shop equipment  Horseshoeing equipment
Automobiles  Motorcycles
Barges, scows, and tankers  Motor trucks
Battery charging outfits  Oil storage tanks
Drays  Repair cars or trucks
Electric vehicles  Tractors
Gasoline and oil pumps (portable)  Trailers
Gasoline storage tanks  Trucks
Greasing tools  Tugs
Note A: Transportation equipment used wholly for one purpose may be included in the account appropriate for such use.

Note B: The accounting for transportation service furnished to the utility by equipment owned by the operating or lessor municipality shall be as provided in section 197.33.

385. Communication Equipment
This account shall include the cost installed (see § 197.21) of utility-owned telephone, telegraph, and wireless lines and equipment when such equipment is not an integral part of the housing structure.

ITEMS
(See § 197.14)

Antennae  Extension cords
Booths  Gongs
Cables  Hand sets, manual and dial
Distributing boards  Insulators
Intercommunicating sets  Switchboards
Loading coils                             Telautograph circuit
Operators' desks                          connections
Poles and fixtures used wholly for telephone or telegraph wire
Radio transmitting and receiving sets      Telegraph receiving sets
Sending keys                              Testing instruments
Storage batteries                         Towers
wires
386. Laboratory Equipment
   A. This account shall include the cost installed (see § 197.21) of utility-owned laboratory equipment when such equipment is not an integral part of the housing structure.
   B. If the utility has laboratories at more than one location, separate records shall be maintained for each location.

ITEMS
(See § 197.14)

Ammeters                                  Potential batteries
Current batteries                         Potentiometers
Frequency changers                        Rotating standards
Galvanometers                             Standard cell, reactance, resistor, and shunt

Inductometers                             Switchboards
Laboratory standard milli-voltmeters      Synchronous timers
Laboratory standard voltimeters           Testing panels
Milli-voltmeters                          Testing resistors
Panels                                   Transformers
Phantom loads                             Voltimeters
Portable graphic ammeters, voltmeters,    Other testing, laboratory or research equipment not and wattmeters
provided for elsewhere
Portable loading devices

387. General Tools and Implements
   This account shall include the cost (see § 197.21) of utility-owned equipment used in construction or repair work outside of shops.

ITEMS
(See § 197.14)

Air compressors, including driving unit and vehicle
Boilers                                   Engines
Cable pulling equipment                   Forges
Concrete mixers and distributors          Furnaces
Ladders                                   Hoists
Lathes                                     Riveters
Motors                                    Steam hammers
Pile drivers                              Steam shovels
Pipe machines                             Surveying and leveling
equipment
Power saws                                 Tool carts
Pumps                                      Trenching machines

Note A: The cost of small portable tools and implements, such as hammers, saws, wrenches, files, jacks, wire cutters, climbing irons,
etc., shall not be charged to this account. Such items shall be carried in account 123, Materials and Supplies, until issued for use, when such account shall be credited and the appropriate work order or other account charged with the cost of tools or implements so issued.

Note B: The accounting for use by the utility of tools and equipment owned by the operating or lessor municipality shall be as provided in section 197.33.

388. Miscellaneous General Equipment
This account shall include the cost installed (see § 197.21) of miscellaneous general equipment which can not properly be assigned to any other account and which is not a part of any housing structure.

391. Miscellaneous Tangible Property
A. This account shall include the cost (see § 197.21) to the utility of tangible electric operating property which can not properly be assigned to any other account.
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.

392. Undistributed Operating Property
A. When a utility purchases or sells any property or equipment as a whole or otherwise finds it necessary because of incomplete financial records to make a general readjustment of electric operating property accounts, temporary charges or credits to this account may be made on order of the commission, and the distribution of the amounts involved shall be made to the appropriate accounts only on order of the commission.
B. Balances in accounts previously carried representing operating property owned as of the effective date of this system of accounts, which were not classified by prescribed accounts prior to January 1, 1934, of which can not be allocated to the accounts prescribed herein, may be carried temporarily in this account. Proposed journal entries distributing such balances to the appropriate accounts, based on an inventory and appraisal at original cost (see § 196.1, subd. (a) (33)) of the property involved, shall be filed with the commission not later than two years after the effective date of this system of accounts. Entries effecting such distribution shall be made only upon order of the commission.

INCOME ACCOUNTS
Operating income
401. Operating Revenues--Electric
402. Operating Expenses--Electric
403. Taxes--Electric
404. Uncollectible Revenues--Electric
421. Operating Revenues--Other Operations
422. Operating Expenses--Other Operations
423. Taxes--Other Operations
424. Uncollectible Revenues--Other Operations
431. Rent from Lease of Electric Plant--Cr.
432. Deductions from Rent Revenues--Electric
433. Rent for Lease of Electric Plant--Dr.
434. Rent from Other Operating Property--Cr.
435. Deductions from Rent Revenues--Other Operations
436. Rent for Other Operating Property--Dr.
Non-operating income
441. Revenues from Non-operating Property
442. Interest Revenues
443. Dividend Revenues
444. Miscellaneous Non-operating Revenues
449. Non-operating Revenue Deductions

Income Deductions
451. Interest on Long Term Debt
452. Miscellaneous Interest Deductions
453. Amortization of Debt Discount and Expense
454. Release of Premium on Debt--Cr.
455. Interest Charged to Property--Cr.
456. Miscellaneous Amortization
459. Contractual Appropriations of Income
460. Miscellaneous Deductions from Income

OPERATING INCOME

401. Operating Revenues--Electric
This account shall include the total revenues, as provided in accounts 601 to 622, derived by the utility from its electric operations during the period covered by the income account. (See ññ 197.24, 197.25, 197.33.)

402. Operating Expenses--Electric
This account shall include the total expenses, as provided in accounts 701 to 793 incurred by the utility in its electric operations during the period covered by the income account. (See ññ 197.19, 197.30, 197.33.)

403. Taxes--Electric
A. This account shall include all taxes actually payable which relate to electric property, operations, and privileges for the period covered by the income account. (See also account 248, Taxes Accrued.)

B. Taxes on property leased from others for use in electric operations shall be included in this account when the lessee is obligated under the terms of the lease to pay such taxes in addition to a stipulated rent.

C. This account shall be charged each month with the amount of taxes which are applicable thereto, and concurrent credits shall be made to account 248, Taxes Accrued, or account 128, Prepayments. When it is not possible to determine the actual taxes to be accrued they shall be estimated and one-twelfth of the estimated annual amount shall be charged to this account monthly, with adjustments as the actual tax levies become known.

D. Utilities in Classes C and D may charge taxes to this account as they are paid instead of on the accrual basis provided in the preceding paragraphs.

Note A: Taxes on operating property other than that used in connection with electric operations shall be charged to the tax account of the appropriate operating department. Taxes on non-operating property shall be charged to account 449, Non-operating Revenue Deductions. Licenses, registration fees, and gasoline or other sales taxes borne by the utility shall be charged to appropriate operating expenses, property, or clearing accounts. Amounts payable annually or more frequently under the terms of franchises or consents, shall be included in account 791, Franchise Requirements.

Note B: Special assessments for street and other improvements and special benefit taxes shall be included in property, operating expense, or other accounts, as may be appropriate.
Note C: The records shall be kept so as to show separately the amount of each class of taxes included in this account, and the basis on which it is levied.

404. Uncollectible Revenues--Electric
This account shall be charged each month with amounts sufficient to provide for losses from uncollectible electric revenues, and concurrent credits shall be made to account 266, Reserve for Uncollectible Accounts. Losses thereafter sustained shall be charged to such reserve.

421. Operating Revenues--Other Operations
This account shall include the revenues derived by the utility during the period covered by the income account from operations which are subject to the jurisdiction of the commission, other than electric service. Insofar as such operations are subject to regulation, the utility shall keep the accounts relating thereto in accordance with the effective systems of accounts for the several classes of operations.

Note: The utility shall keep separately the revenues applicable to each such operation.

422. Operating Expenses--Other Operations
This account shall include the expenses incurred by the utility during the period covered by the income account in connection with operations which are subject to the jurisdiction of the commission, other than electric service. In so far as such operations are subject to regulation, the utility shall keep the accounts relating thereto in accordance with the effective systems of accounts for the several classes of operations.

Note: The utility shall keep separately the expenses applicable to each such operation.

423. Taxes--Other Operations
A. This account shall include taxes actually payable which are applicable to operations which are subject to the jurisdiction of the commission, other than electric service. Insofar as such operations are subject to regulation, the utility shall keep the accounts relating thereto in accordance with the effective systems of accounts for the several classes of operations; except that utilities in Classes C and D may charge taxes to this account as they are paid instead of on the accrual basis.

B. This account shall be charged each month with the amount of taxes which are applicable thereto, and concurrent credits shall be made to account 248, Taxes Accrued or account 128, Prepayments. When it is not possible to determine the actual taxes, they shall be estimated and one-twelfth of the estimated annual amount shall be charged to this account monthly, with adjustments as the actual tax levies become known.

Note: The records shall be kept so as to show separately for each such operation the amount of each class of taxes included in this account, and the basis on which it is levied.

424. Uncollectible Revenues--Other Operations
A. This account shall be charged with amounts previously credited to operating revenue accounts for operations which are subject to the jurisdiction of the commission, other than electric service, which become uncollectible. In so far as such operations are subject to regulation, the utility shall keep the accounts relating thereto in accordance with the effective systems of accounts for the several classes of operations.

B. When losses from uncollectible revenues are provided for through a
reserve, this account shall be charged with amounts so provided and concurrent credits shall be made to a subdivision of account 266, Reserve for Uncollectible Accounts. Losses thereafter sustained shall be charged to such reserve.

Note: The utility shall keep separately the uncollectible revenues applicable to each such operation.

431. Rent from Lease of Electric Plant--Cr.
This account shall include the rent from electric property constituting a distinct operating unit leased to others for electric operations, when the lessee has exclusive possession. (See § 197.28.)

Note: Rent from property carried in Operating Property--Electric, other than that covered in the text of this account, shall be credited to account 621, Rent from Electric Property.

432. Deductions from Rent Revenues--Electric
A. This account shall include the expenses, including repairs and depreciation, applicable to property the rents from which are included in account 431, Rent from Lease of Electric Plant--Cr.; and also taxes on such property and uncollectible rents.

B. This account shall be subdivided to show separately for each lease the following items:
(1) Expenses
(2) Depreciation and amortization
(3) Taxes actually payable
(4) Uncollectible Rents

433. Rent for Lease of Electric Plant--Dr.
This account shall include rents payable for property constituting a distinct operating unit leased from others for use in electric operations, when the utility has exclusive possession. (See § 197.28.)

Note: Taxes payable upon leased property covered herein shall be included in account 403, Taxes--Electric.

434. Rent from Other Operating Property--Cr.
This account shall include the rent from operating property in department subject to the jurisdiction of the commission, other than electric property constituting a distinct operating unit leased to others, when the lessee has exclusive possession. (See § 197.28.)

435. Deduction from Rent Revenues--Other Operations
This account shall include the expenses, including repairs and depreciation applicable to property the rents from which are included in account 434, Rent from Other Operating Property--Cr.; and also taxes on such property and uncollectible rents.

436. Rent for Other Operating Property--Dr.
This account shall include rents payable for property constituting a distinct operating unit leased from others for use in operations subject to the jurisdiction of the commission other than electric service, when the utility has exclusive possession.

Note: Taxes payable upon leased property covered herein shall be included in account 423, Taxes--Other Operations.

441. Revenues from Non-operating Property
This account shall include rent and other revenues derived by the utility from non-operating applicable to the period covered by the income account. (See § 196.1 subd. (a) (27) and account 112, Non-operating Property.)

442. Interest Revenues
A. This account shall include interest accruing to the utility except interest on current funds employed primarily in the conduct of the business for which the utility is organized. If it be required that interest on a special fund represented a reserve is to be added to such fund and equivalent appropriation made to the reserve, such interest shall be credited to this account and such appropriation shall be charged to account 459, Contractual Appropriations of Income, or account 460, Miscellaneous Deductions from Income, as appropriate.

B. Interest accrued shall not be credited to this account unless its payment is reasonably assured; otherwise credits to this account shall be based upon the interest actually collected.

Note A: This account shall be kept so as to show separately the interest revenue from each investment.

Note B: No interest upon reacquired securities issued or assumed by the utility shall be credited to this account.

443. Dividend Revenues
This account shall include revenues derived by the utility from dividends on stocks. Accruals of dividends may be included herein if their payment is reasonably assured. If it be required that dividends from stock held in a special fund represented by a reserve are to be added to such fund and equivalent appropriations made to the reserve, such dividends shall be credited to this account and such appropriations shall be charged to account 459, Contractual Appropriations of Income, or account 460, Miscellaneous Deductions from Income, as appropriate.

444. Miscellaneous Non-operating Revenues
A. This account shall include revenues accruing to the utility in accordance with the terms of any contract by which the utility is entitled to participate in profits resulting from the operations of others.

B. This account shall also include amounts periodically debited to investment and special fund accounts whereby the excess of the face amount of securities with a fixed date of maturity and accrued interest to date of purchase over the cost to the utility will be spread over the remaining life of the securities. No credits shall be made to this account in respect of discount upon securities so held unless there is reason to believe that the securities will be paid in full not later than their maturity date. The utility may defer entries in respect of such discount until the date of maturity or of redemption, at which time adjustment shall be made through Surplus.

C. This account shall also include all other non-operating revenues not provided for in the foregoing accounts.

Note: Profits from the operations of others do not include any dividends on stock.

449. Non-operating Revenue Deductions
A. This account shall include expenses, taxes, and uncollectible bills, applicable to the period covered by the income account, in connection with non-operating property or in connection with revenues which are includible in accounts 441 to 444.

B. This account shall also include amounts periodically credited to investment or special fund accounts whereby the excess of the cost to the utility over the face amount of securities and accrued interest thereon will be spread over the remaining life of the securities. The utility may defer entries in respect of such premium until the date of maturity or redemption, at which time adjustment shall be made through
INCOME DEDUCTIONS

451. Interest on Long Term Debt
This account shall be charged each month with the interest accrued on unmatured outstanding long term debt (see § 196.1, subd. (a) (20)) issued or assumed. This account shall not include interest on nominally outstanding long term debt (including securities assumed) held by the utility in its treasury.

Note A: The amount charged to this account shall be concurrently credited to account 249, interest Accrued, or account 128, Prepayments.

Note B: This account shall be kept so that the utility will be able to furnish the interest accruals for each class or subdivision of long term debt.

452. Miscellaneous Interest Deductions
A. This account shall be charged each month with the interest accrued on all short term and other obligations of the utility not chargeable to account 451, interest on Long Term Debt, and not specifically provided for elsewhere.

B. This includes interest on unpaid taxes, on consumers' deposits, and on other similar obligations.

Note: This account shall be kept so that the utility will be able to furnish the interest accruals for each class of debt for which interest is charged hereto.

453. Amortization of Debt Discount and Expense
This account shall include each month the portion of the unamortized debt discount and expense on outstanding long term debt, which is applicable to the month. This portion shall be determined according to a rule the uniform application of which during the interval between the issuance and maturity of such debt will completely amortize the net discount at which the debt was issued and the debt expense connected therewith. (See also § 197.9.)

454. Release of Premium on Debt--Cr.
This account shall include each month the portion of the unamortized net premium on outstanding long term debt, which is applicable to the month. This portion shall be determined according to a rule the uniform application of which during the interval between the issuance and maturity of such debt will completely amortize the net premium at which the debt was issued. (See also § 197.9.)

455. Interest Charged to Property--Cr.
This account shall include concurrent credits for amounts charged to account 110, Construction Work in Progress, or other fixed asset accounts, for interest during construction. (See § 197.21, subd. (e), par. (10).)

456. Miscellaneous Amortization
A. This account shall include such amounts as the utility may be required by order of the commission to charge hereto. (See account 143, Suspense to be Amortized.)

B. This account shall also include provision for amortization of any excess of book cost (see § 196.1, subd. (a) (4)) over original cost (see § 196.1, subd. (a) (33)) of operating property.

Note: For instructions as to amortization of items of intangible operating property, see account 262, Amortization Reserves, and account 790, Amortization of Intangible Property.

459. Contractual Appropriations of Income
This account shall include appropriations of income when specifically required under the terms of ordinances, mortgages, deeds of trust, orders of courts, contracts, or other agreements.

Note: Appropriations of income resting in the discretion of the utility, i.e., not required by mortgages, contracts, etc., shall be charged to account 460, Miscellaneous Deductions from Income.

460. Miscellaneous Deductions from Income
This account shall include deductions from income for purposes not provided for elsewhere and not specifically required under terms of ordinances, mortgages, contracts, etc. This includes donations to others than the operating or lessor municipality and expenses of issuing obligations other than long term debt.

SURPLUS ACCOUNTS
Surplus (Account 281), or Deficit (Account 161)

501. Balance Transferred from Income
502. Miscellaneous Credits to Surplus
512. Appropriations to Reserves
514. Miscellaneous Debits to Surplus

SURPLUS (ACCOUNT 281), OR DEFICIT (ACCOUNT 161)
An account shall be maintained in the general books of the utility and the balance therein, if a debit, shall appear on the asset side of the balance sheet under account 161, Deficit, and if a credit, on the liability side of the balance sheet under account 281, Surplus.

501. Balance Transferred from Income
This account shall include the net balance developed in the Income Account.

502. Miscellaneous Credits to Surplus
This account shall include all credits affecting the utility's surplus or deficit not elsewhere provided for, such as:
(a) Adjustments or cancellation of balance sheet accounts (except accounts with the operating or lessor municipality)
(b) Cancellation of balance sheet accounts representing unclaimed wages or other liabilities written off because of inability to locate the creditor
(c) Profits derived from sale of miscellaneous investments or non-operating property (the accounting for profit on operating property sold shall be as provided in account 261, Depreciation Reserves)
(d) Credits resulting from difference between the cost of securities reacquired and the amount chargeable to account 151, Reacquired Securities
(e) Unamortized premium on long term debt reacquired before maturity (see 6197.9,subd. (f)).

512. Appropriations to Reserves
This account shall include appropriations of Surplus to reserves made by action of the board of directors or other governing body of the municipal electric utility, and not chargeable to account 459, Contractual Appropriations of Income.

Note: All other appropriations to reserves or-for other purposes shall be charged to account 460, Miscellaneous Deductions from Income, or other appropriate income account.

514. Miscellaneous Debits to Surplus
This account shall include all debits affecting the utility's surplus or deficit not elsewhere provided for, such as:
(a) Adjustments or cancellation of balance sheet accounts (except
accounts with the operating or lessor municipality)
(b) Losses or deficits which are not properly chargeable to operating expenses or income and for which no reserves have been provided
(c) Losses resulting from the sale of miscellaneous investments or non-operating property
(d) Debits resulting from difference between the cost of securities reacquired and the amount chargeable to account 151, Reacquired Securities
(e) Unextinguished discount and expense on long term debt reacquired before maturity (see 6 197.9, subd. (f)).

OPERATING REVENUE ACCOUNTS

Electric Service Revenues
601. Residential Sales
602. Commercial Sales
603. Industrial Sales
604. Public Street Lighting--Operating Municipality
605. Public Street Lighting--Other
606. Other Sales to Operating Municipality
607. Other Sales to Other Public Authorities
608. Sales to Other Distributors
609. Sales to Railroads and Street Railroads
Other Electric Revenues
621. Rent from Electric Property
622. Miscellaneous Electric Revenues

ELECTRIC SERVICE REVENUES

601. Residential Sales
This account shall include revenues from electricity supplied for residential purposes.
Note A: The records supporting the entries to this account shall be kept so that the number of kilowatt-hours sold and the revenue therefrom will be available for each service classification.
Note B: When electricity supplied through a single meter is used for both residential and commercial purposes, the total revenue may be included in either this account or account 602, Commercial Sales.

602. Commercial Sales
This account shall include revenues from electricity supplied for commercial purposes.
Note A: The records supporting the entries to this account shall be kept so that the number of kilowatt-hours sold and the revenue therefrom will be available for each service classification.
Note B: When electricity supplied through a single meter is used for both residential and commercial purposes, the total revenue may be included in either this account or account 601, Residential Sales.

603. Industrial Sales
This account shall include revenues from electricity supplied for industrial purposes.
Note: The records supporting the entries to this account shall be kept so that the number of kilowatt-hours sold and the revenue therefrom will be available for each service classification.

604. Public Street Lighting--Operating Municipality
This account shall include revenues from electricity supplied and services rendered for the purpose of lighting streets, parks, and other public places by means of electricity for the operating municipality.
(For basis of credits to this account, see section 197.33.)
Note: The records supporting the entries to this account shall be kept so that the number of kilowatt-hours supplied at each rate will be available.

605. Public Street Lighting--Other
This account shall include revenues from electricity supplied and services rendered for the purpose of lighting streets, parks, and other public places by means of electricity for municipalities other than the operating municipality, or other subdivisions or agencies of State or Federal governments.
Note: The records supporting the entries to this account shall be kept so that the number of kilowatt-hours supplied under each contract or rate will be available.

606. Other Sales to Operating Municipality
This account shall include revenues from electricity supplied to the operating municipality for purposes other than street lighting. (For basis of credits to this account, see section 197.33.)
Note: The records supporting the entries to this account shall be kept so that the number of kilowatt-hours supplied for each type of use and at each rate will be available.

607. Other Sales to Other Public Authorities
This account shall include revenues from electricity supplied for purposes other than street lighting or redistribution, to municipalities other than the operating municipality, or other subdivisions or agencies of State or Federal governments, under special contracts or agreements or service classifications applicable only to public authorities.
Note: The records supporting the entries to this account shall be kept so that the number of kilowatt-hours supplied under each contract or rate will be available.

608. Sales to Other Distributors
This account shall include revenues from electricity supplied to private electric companies or to public authorities for redistribution.
Note A: When the contract is a reciprocal one, i.e., when either party thereto may take electricity from the other, the gross amount receivable for electricity supplied to the other party shall be included herein in each accounting period and the gross amount payable for electricity received from the other party shall be charged to account 721, Electricity Purchased.
Note B: The records supporting the entries to this account shall show separately for each contract the point of delivery, the maximum demand upon the utility, the kilowatt-hours supplied, the basis for the charge, and the total charge to the distributor. When electricity is delivered to a distributor at more than one point, like detail shall be furnished for each point of delivery.
Note C: Revenues from electricity supplied to other public utilities for use by them shall be credited to account 602 or 603, unless supplied under the same contract as and not readily separable from revenues included in this account.

609. Sales to Railroads and Street Railroads
This account shall include revenues derived from electricity supplied to railroads and street railroads, for use primarily in propulsion of their cars.
Note: Revenues from electricity supplied to railroads or street railroads for other purposes shall be credited to account 602 or 603, unless supplied under the same contract as and not readily separable
from revenues included in this account.

OTHER ELECTRIC REVENUES

621. Rent from Electric Property
A. This account shall include revenues from the rent of electric operating property except when such rental is under lease or agreement which gives the lessee exclusive possession of a distinct operating unit. (See also account 431, Rent from Lease of Electric Plant—Cr., ð 197.28.)

B. When the utility operates or maintains property for the joint benefit of itself and others, or for the joint benefit of the electric and other operating departments, under an arrangement for the apportionment of expenses upon the basis of relative benefits, any profits element or return and taxes upon the property involved shall be included in this account. Such profit or return on investment must be over and above all operating expenses, including provision for depreciation and amortization of the property involved. (See ð 197.16.)

Note A: Rent from real estate held as an investment shall be included in account 441, Revenues from Non-operating Property.

Note B: When rent revenue is derived from property used jointly for electric and other operations, such revenue shall be equitably allocated among the departments involved.

622. Miscellaneous Electric Revenues
This account shall include revenues incidental to electric operations not specifically provided for elsewhere, including interest on funds used in operations; sales to others of excess water, hydraulic power, or steam; commissions on sales or distribution of others' electricity (sold under schedules filed by such other distributors); and charges for the connection, disconnection, or reconnection of meters.

Note: A separate subdivision shall be maintained for each class of revenues includible in this account which is substantial in amount.

OPERATING EXPENSE ACCOUNTS

700 PRODUCTION EXPENSES

ELECTRIC GENERATION—STEAM POWER

D C B  701 Supervision and Labor
A 701.1 Supervision and Engineering
A 701.2 Boiler Labor
A 701.3 Engine Labor
A 701.4 Electric Labor
A 701.6 Miscellaneous Labor

D  702 Power Plant Supplies and Expenses
C B A 702.1 Fuel
C B A 702.2 Water
C B 702.3 Miscellaneous Supplies and Expenses
A 702.32 Lubricants
A 702.33 Production Supplies
A 702.34 Station Expense

D C  703 Repairs to Power Plant
B A 703.1 Repairs to Power Plant Structures
B 703.2 Repairs to Boiler Plant Equipment
A 703.21 Repairs to Furnaces and Boilers
A 703.22 Repairs to Boiler Apparatus
A 703.23 Repairs to Steam Accessories
B 703.3 Repairs to Generator Units
A 703.31 Repairs to Prime Movers
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<tr>
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<td>B A 703.6</td>
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<td>D C B A 704</td>
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<td>D C B A 706</td>
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<td>D C B A 707</td>
<td>Production Rents</td>
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**ELECTRIC GENERATION--HYDRAULIC POWER**

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<td>C B A 709.1</td>
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**ELECTRIC GENERATION--INTERNAL COMBUSTION ENGINE POWER**

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C B A 751.1 Street Lighting and Signal System Supervision
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C B 751.2 Operation of Street Lighting and Signal Systems
A 751.21 Operation of Overhead Street Lighting
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A 752.1 Repairs to Overhead Street Lighting and Signal
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D C B A 753 Depreciation of Street Lighting and Signal
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760 CONSUMERS' ACCOUNTING AND COLLECTING EXPENSES
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B 761.2 Consumers' Orders, Meter Reading, and Collecting
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A 771.21 Demonstration
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D C B A 772 Appliance Selling and Jobbing
D C B A 774 Sales Department Rents

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B A 781.2 Treasury and Accounting Departments
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D C B A 793 Duplicate Miscellaneous Charges--Cr.

700 PRODUCTION EXPENSES

ELECTRIC GENERATION--STEAM POWER

D C B 701 Supervision and Labor
A 701.1 Supervision and Engineering

This account shall include the pay and expenses of officers, superintendents, and other employees engaged in supervising and directing the operation of the steam power generating stations; assistants, chemists, general foremen, and clerical help on records; such portion of the salaries and expenses of the engineering staff, consulting operating engineers, and draftsmen, as may be applicable; and related office supplies and expenses (but not rent). (See 197.10.)

A 701.2 Boiler Labor

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

ITEMS
(See ð 197.14)

Boiler house engineer and assistants Weighers
Feed-pump men Labor employed:
Firemen Blowing flues
Furnace operators Cleaning boilers
Helpers Handling coal and ashes within boiler plant
Stoker attendants Pulverizing coal
Stokers Testing steam meters and gauges
Watchmen
Water tenders and other instruments
Note: Do not include maintenance labor in this account.
A 701.3 Engine Labor
This account shall include the pay of employees engaged in operating prime movers, including steam engines, steam turbines, and auxiliary apparatus operated in connection therewith.
ITEMS
(See § 197.14)
Chief engineers and assistants Watch engineers and assistants
Machinists and helpers Wipers
Oilers
Note: Do not include maintenance labor in this account.
A 701.4 Electric Labor
This account shall include the pay of employees engaged in operating electric generating and accessory equipment, including switchboards, feeder terminal boards, and other electric equipment, to the point where the electricity leaves the station for transmission or distribution.
ITEMS
(See § 197.14)
Dynamomen Generator attendants
Electricians Switchboard operators and assistants
Foremen and assistants Wipers
Gallerymen Wiremen
Note: Do not include maintenance labor in this account.
A 701.6 Miscellaneous Labor
This account shall include the pay of employees engaged in operating steam power generating stations which is not chargeable to the foregoing accounts.
ITEMS
(See § 197.14)
Elevator men Watchmen
Janitors Yard and building cleaners
Messengers
Note: Do not include maintenance labor in this account.
D 702 Power Plant Supplies and Expenses
C B A 702.1 Fuel
This account shall include the cost delivered at station (see account 123, Materials and Supplies) of coal, oil, gas, or other fuel used in steam power generating stations. It shall also include the net cost of or amount realized from disposal of ashes.
Note: Records shall be maintained to show the quantity and cost of fuel used.
C B A 702.2 Water
This account shall include the cost of water for boilers, condensers, and for cooling engines. If water is purchased from sources other than the operating municipality, the charge shall be at the contract price or the meter rate; if purchased from the operating municipality, the charge shall be as provided in section 197.33; if pumped by the utility, the cost of pumping shall be charged to this account.
ITEMS
(See § 197.14)
Employees: Supplies:
Filter cleaners Boiler compounds
General labor                            Chemicals
Pumping station operators                Lubricants
Screen operators                         Supplies, miscellaneous
Pumping supplies
Note: Do not include in this account water used for general station purposes or the cost of maintaining water supply system.

C B   702.3 Miscellaneous Supplies and Expenses

A 702.32 Lubricants
This account shall include the cost of lubricants for machinery in steam power generating stations, including recovery of oil from waste and the cost of handling and filtering.
Note A: Oil used in pumping water shall be charged to account 702.2, Water.
Note B: Do not include in this account oil for transformers, grease or oil for automobiles, trucks, and wagons, or oil for lamps or for similar purposes.

A 702.33 Production Supplies
This account shall include the cost of small tools and supplies used in the operation of steam power generating stations.

ITEMS
(See § 197.14)

Dynamo brushes                           Steam and air hose
Fire room tools                           Tools, hand
Gauge glasses                             Washers
Handhole gaskets                          Waste
Manhole gaskets                           Wipers
Packing
Note: Do not include in this account maintenance materials, fuel, or water.

A 702.34 Station Expense
This account shall include miscellaneous expenses incurred in operating steam power generating stations not elsewhere provided for.

ITEMS
(See § 197.14)

Boiler inspection fees              Meter supplies
Building service (but not rent)     Stationery and office supplies
Communication service               Transportation
Log sheets and charts               Water for fire protection or general use

D C     703 Repairs to Power Plant

B A 703.1 Repairs to Power Plant Structures
This account shall include the cost of repairs to buildings, structures, fixtures, and grounds, the book cost of which is included in account 311 (1), Steam Power Plant Land, and account 312 (1), Steam Power Plant Structures. (See § 197.10.)
Note: Repair items are indicated in section 197.29.

B 703.2 Repairs to Boiler Plant Equipment

A 703.21 Repairs to Furnaces and Boilers
This account shall include the cost of repairs to boilers and furnaces, the book cost of which is included in account 321, Boiler Plant Equipment, including brick work, water walls, stacks, boiler foundations, flues and breeching, grate and stoker bars, valves and superheaters. (See § 197.10.)
Note: Repair items are indicated in section 197.29.
A 703.22 Repairs to Boiler Apparatus

This account shall include the cost of repairs to feed water, coal, and ash handling systems, and auxiliary apparatus in the boiler room, the book cost of which is included in account 321, Boiler Plant Equipment, such as air preheaters, ash disposal and coal handling equipment, combustion control system, draft apparatus, foundations, feed water apparatus, stokers and grinders with drives, piping pulverizing equipment, pumps, and water purification system. (See § 197.10.)

Note: Repair items are indicated in section 197.29.

A 703.23 Repairs to Steam Accessories

This account shall include the cost of repairs to the piping system in connection with the making of steam and delivery thereof to the prime movers, the book cost of which is included in account 321, Boiler Plant Equipment, such as main steam piping to throttle valve of engine, auxiliary steam main and auxiliary exhaust, make-up water, feed water, drip, blowoff and valve control system, pipe covering, valves, and fittings. (See § 197.10.)

Note: Repair items are indicated in section 197.29.

B 703.3 Repairs to Generator Units

A 703.31 Repairs to Prime Movers

This account shall include the cost of repairs to main steam engines and steam turbines the book cost of which is included in account 322, Engine Driven Generator Units--Steam, and account 323, Turbo-Generators--Steam. (See § 197.10.)

Note: Repair items are indicated in section 197.29.

A 703.32 Repairs to Generators

This account shall include the cost of repairs to main steam driven generators and main exciters, the book cost of which is included in account 322, Engine Driven Generator Units--Steam, and account 323, Turbo-Generators--Steam.

Note: Repair items are indicated in section 197.29.

B A 703.6 Repairs to Accessory Electric Equipment

This account shall include the cost of repairs to electric equipment the book cost of which is included in account 324, Accessory Electric Equipment--Steam. (See § 197.10.)

Note: Repair items are indicated in section 197.29.

B A 703.7 Repairs to Miscellaneous Power Plant Equipment

This account shall include the cost of repairs to miscellaneous equipment the book cost of which is included in account 325, Miscellaneous Power Plant Equipment--Steam. (See § 197.10.)

Note: Repair items are indicated in section 197.29.

D C B A 704 Steam from Other Sources

A. This account shall include the cost of steam purchased for use in steam engines and turbines devoted to the production of electricity. If steam is purchased from the operating municipality the charge shall be as provided in section 197.33.

B. This account shall also include charges for steam transferred to electric generation when such steam is produced primarily for use in another operating department of the utility. (See also § 197.26.)

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

D C B A 705 Steam Transferred--Cr.

This account shall include credits for steam transferred to another operating department of the utility or of the municipality when such steam is produced primarily for use in electric generation.

Note: The basis of credits to this account shall be clearly indicated. Such credits shall consist of the equitable proportion of the total cost of steam produced, including repairs and depreciation of power plant property and equipment. Any allowance in addition to the amount properly creditable to this account shall be included in account 621, Rent from Electric Property. (See also 197.33.)

D C B A 706 Depreciation of Power Plant

A. This account shall include the depreciation charges for the following classes of depreciable steam power generating property (except such as are chargeable to account 432, Deductions from Rent Revenues--Electric):

- Steam Power Plant Land (account 311 (1))
- Steam Power Plant Structures (account 312 (1))
- Boiler Plant Equipment (account 321)
- Engine Driven Generator Units Steam (account 322)
- Turbo-Generators--Steam (account 323)
- Accessory Electric Equipment--Steam (account 324)
- Miscellaneous Power Plant Equipment--Steam (account 325)

B. The depreciation charges shall be computed in accordance with subdivision (b) of section 197.7 and shall be concurrently credited to account 261, Depreciation Reserves.

D C B A 707 Production Rents

A. This account shall include rents includible in operating expenses (see § 197.28) for property of the operating municipality (see § 197.33) or of others used in connection with steam power generation.

B. This account shall be kept so as to show the rent for leased production property separately from rent for facilities operated under arrangements for the joint use of facilities of another; and also rents paid to the operating municipality separately from rents paid to others.

ELECTRIC GENERATION--HYDRAULIC POWER

D C B  708 Supervision and Labor

A 708.1 Supervision and Engineering

This account shall include the pay and expenses of officers, superintendents, and other employees engaged in supervising and directing the operation of hydraulic power generating stations; assistants, general foremen, and clerical help on records; such portion of the salaries and expenses of the engineering staff, consulting operating engineers, and draftsmen, as may be applicable; and related office supplies and expenses (but not rent). (See § 197.10.)

A 708.2 Hydraulic Labor

This account shall include the pay of employees engaged in operating hydraulic works, including reservoirs, dams, and waterways, and water wheels and turbines.

ITEMS

(See § 197.14)

Cleaners at reservoirs and screens     Foremen
Flume patrolmen                        Intake operators
Note: Do not include maintenance labor in this account.
A 708.4 Electric Labor
This account shall include the pay of employees engaged in operating electric generating and accessory equipment, including switchboards, feeder terminal boards, and other electric equipment, to the point where the electricity leaves the station for transmission or distribution.

ITEMS
(See § 197.14)
Dynamomen Generator attendants
Electricians Switchboard operators and assistants
Foremen and assistants Wipers
Gallerymen Wiremen
Note: Do not include maintenance labor in this account.

A 708.6 Miscellaneous Labor
This account shall include the pay of employees engaged in operating hydraulic power generating stations which is not chargeable to the foregoing accounts.

ITEMS
(See § 197.14)
Elevator men Watchmen
Janitors Yard and building cleaners
Messengers
Note: Do not include maintenance labor in this account.

D 709 Power Plant Supplies and Expenses
C B A 709.1 Water for Power
This account shall include the cost of water purchased for hydraulic power generation.

ITEMS
(See § 197.14)
Cost of water purchased from the operating municipality (see § 197.33) or from others
Licenses or permits from any governmental agency for water rights, periodic payments for (See also § 197.33.)
Riparian rights, periodic payments for
C B 709.3 Miscellaneous Supplies and Expenses
A 709.32 Lubricants
This account shall include the cost of lubricants for machinery in hydraulic power generating stations, including recovery of oil from waste and the cost of handling and filtering.
Note: Do not include in this account oil for transformers, grease or oil for automobiles, trucks, and wagons, or oil for lamps or similar purposes.

A 709.33 Production Supplies
This account shall include the cost of small tools and supplies used in the operation of hydraulic power generating stations.

ITEMS
(See § 197.14)
Dynamo brushes Tools, hand
Gaskets Washers
Materials to protect dams and gates Waste
Packing Wipers
Note: Do not include maintenance material in this account.

A 709.34 Station Expense
This account shall include miscellaneous expenses incurred in operating hydraulic power generating stations not elsewhere provided.
ITEMS
(See 197.14)

Building service (but not rent)     Meter supplies
Communication service              Stationery and office supplies
Log sheets and charts              Transportation
D C 710 Repairs to Power Plant
   B A 710.1 Repairs to Power Plant Structures
   This account shall include the cost of repairs to buildings,
   structures, fixtures, and grounds, the book cost of which is included in
   account 311 (2), Hydro-Electric Power Plant Land, and account 312 (2),
   Hydro-Electric Power Plant Structures. (See 197.10.)
   Note: Repair items are indicated in section 197.29.
   B 710.2 Repairs to Reservoirs, Dams, and Waterways
      A 710.21 Repairs to Reservoirs, Dams, and Intakes
      This account shall include the cost of repairs to reservoirs, dams,
      and intakes with their appurtenant structures, and facilities such as
      gates, raising and lowering apparatus, wasteways, spillways, fish
      ladders, etc., the book cost of which is included in account 331 (1),
      Reservoirs, Dams, and intakes. (See 197.10.)
      Note: Repair items are indicated in section 197.29.
      A 710.22 Repairs to Navigation Facilities
      This account shall include the cost of repairs to locks, booms,
      sluices, regulating gates, and other appurtenant structures and
      facilities for navigation purposes, the book cost of which is included
      in account 331 (2), Navigation Facilities. (See 197.10.)
      Note: Repair items are indicated in section 197.29.
      A 710.23 Repairs to Waterways
      This account shall include the cost of repairs to canals, ditches,
      flumes, tunnels, pipe lines, and other appurtenant structures and
      facilities, the book cost of which is included in account 331 (3),
      Waterways. (See 197.10.)
      Note: Repair items are indicated in section 197.29.
      A 710.24 Repairs to Forebays, Penstocks, and Tailraces
      This account shall include the cost of repairs to forebays, penstocks,
      tailraces, and other appurtenant structures and facilities, the book
      cost of which is included in account 331 (4), Forebays, Penstocks, and
      Tailraces. (See 197.10.)
      Note: Repair items are indicated in section 197.29.
   B A 710.3 Repairs to Roads, Trails, and Bridges
   This account shall include the cost of repairs to permanent roads,
   trails, bridges, and railways, the book cost of which is included in
   account 332, Roads, Trails, and Bridges. (See 197.10.)
   Note: Repair items are indicated in section 197.29.
   B A 710.4 Repairs to Water Wheels and Turbines
   This account shall include the cost of repairs to hydraulic facilities
   from the connection with penstock or flume to tailrace of all main
   hydraulic turbines and water wheels the book cost of which is included
   in account 333, Water Wheels, Turbines, and Generators. (See 197.10.)
   Note: Repair items are indicated in section 197.29.
   B A 710.5 Repairs to Generators
   This account shall include the cost of repairs to main water driven
   generators and main exciters the book cost of which is included in
   account 333, Water Wheels, Turbines, and Generators. (See 197.10.)
Note: Repair items are indicated in section 197.29.

B A 710.6 Repairs to Accessory Electric Equipment

This account shall include the cost of repairs to electric equipment the book cost of which is included in account 334, Accessory Electric Equipment--Hydro. (See § 197.10.)

Note: Repair items are indicated in section 197.29.

B A 710.7 Repairs to Miscellaneous Power Plant Equipment

This account shall include the cost of repairs to miscellaneous equipment the book cost of which is included in account 335, Miscellaneous Power Plant Equipment--Hydro. (See § 197.10.)

Note: Repair items are indicated in section 197.29.

D C B A 711 Depreciation of Power Plant

A. This account shall include the depreciation charges for the following classes of depreciable hydraulic power generation property (except such as are chargeable to account 432, Deductions from Rent Revenues--Electric):

   Hydro-Electric Power Plant Land (account 311 (2))
   Hydro-Electric Power Plant Structures (account 312 (2))
   Reservoirs, Dams, and Waterways (account 331)
   Roads, Trails, and Bridges (account 332)
   Water Wheels, Turbines, and Generators (account 333)
   Accessory Electric Equipment--Hydro (account 334)
   Miscellaneous Power Plant Equipment--Hydro (account 335)

B. The depreciation charges shall be computed in accordance with subdivision (b) of section 197.7 and shall be concurrently credited to account 261, Depreciation Reserves.

D C B A 712 Production Rents

A. This account shall include rents includible in operating expenses (see § 197.28) for property of the operating municipality (see § 197.33) or of others used in connection with hydraulic power generation; and also assessments for current operation, maintenance, and interest in connection with government dams, structures, or head water improvements, or amounts payable for cost of administration under Federal or State water power authorities.

B. This account shall be kept so as to show the rent for leased production property separately from rent for facilities operated under arrangements for the joint use of facilities of another; and also rents paid to the operating municipality separately from rents paid to others.

ELECTRIC GENERATION--INTERNAL COMBUSTION ENGINE POWER

D C B 713 Supervision and Labor

A 713.1 Supervision and Engineering

This account shall include the pay and expenses of officers, superintendents, and other employees engaged in supervising and directing the operation of internal combustion engine power generating stations, assistants, chemists, general foremen, and clerical help on records; such portion of the salaries and expenses of the engineering staff, consulting operating engineers, and draftsmen, as may be applicable; and related office supplies and expenses (but not rent). (See § 197.10.)

A 713.3 Engine Labor

This account shall include the pay of employees engaged in operating prime movers, including Diesel, gasoline, gas, or other internal combustion engines and auxiliary apparatus operated in connection therewith.
Chief engineers and assistants    Watch engineers and assistants
Machinists and helpers            Wipers
Oilers

Note: Do not include maintenance labor in this account.

A 713.4 Electric Labor

This account shall include the pay of employees engaged in operating electric generating and accessory equipment, including switchboards, feeder terminal boards, and other electric equipment, to the point where the electricity leaves the station for transmission or distribution.

ITEMS

Dynamomen                         Generator attendants
Electricians                      Switchboard operators and assistants
Foremen and assistants            Wipers
Gallerymen                        Wiremen

Note: Do not include maintenance labor in this account.

A 713.6 Miscellaneous Labor

A. This account shall include the pay of employees engaged in operating internal combustion engine power generating stations which is not chargeable to the foregoing accounts.

B. This account shall also include operating labor in the production of oil, natural gas, or producer gas for use in electric generation and the handling of residuals from the building to the point where such residuals are stored.

ITEMS

Elevator men                           Producer gas labor
Janitors                               Watchmen
Labor operating gas wells              Yard and building cleaners
Messengers

Note: Do not include maintenance labor in this account.

D 714 Power Plant Supplies and Expenses

C B A 714.1 Engine Fuel

A. This account shall include the cost delivered at station (see account 123, Materials and Supplies) of fuel such as oil, kerosene, or gasoline used in internal combustion engines.

B. When the producer gas process is used, this account shall include the cost of coal delivered at station. It shall also include the net cost of or amount realized from disposal of ashes, cinders, or residuals.

C B 714.3 Miscellaneous Supplies and Expenses

A 714.31 Water

This account shall include the cost of water used for cooling Diesel or other internal combustion engines and of water used in the production of gas for power purposes. If water is purchased from sources other than the operating municipality, the charge shall be at the contract price or the meter rate; if purchased from the operating municipality the charge shall be as provided in section 197.33; if pumped by the utility, the cost of pumping shall be charged to this account.

ITEMS

(See § 197.14)

Employees: Supplies:
Filter cleaners                              Boiler compounds
General labor                                Chemicals
Pumping station operators                    Lubricants
Screen operators                             Pumping supplies
Supplies, miscellaneous

Note: Do not include in this account water used for general station purposes or the cost of maintaining the water supply system.

A 714.32 Lubricants
This account shall include the cost of lubricants for machinery in internal combustion engine power generating stations, including recovery of oil from waste and the cost of handling and filtering.

Note A: Oil used in pumping water shall be charged to account 714.31, Water.

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

A 714.33 Production Supplies
This account shall include the cost of small tools and supplies used in the operation of internal combustion engine power generating stations.

ITEMS
(See § 197.14)
  Dynamo brushes                         Tools, hand
  Gauge glasses                          Washers
  Handhole gaskets                       Waste
  Manhole gaskets                        Wipers
  Packing
  Note: Do not include in this account maintenance materials, fuel, or water.

A 714.34 Station Expense
This account shall include miscellaneous expenses incurred in operating internal combustion engine power generating stations not elsewhere provided for.

ITEMS
(See § 197.14)
  Building service (but not rent)        Meter supplies
  Communication service                  Stationery and office supplies
  Log sheets and charts                  Transportation
  D  C  715 Repairs to Power Plant
     B  A  715.1 Repairs to Power Plant Structures
This account shall include the cost of repairs to buildings, structures, fixtures, and grounds, the book cost of which is included in account 311 (3), internal Combustion Power Plant Land, and of account 312 (3), Internal Combustion Power Plant Structures. (See § 197.10.)

Note: Repair items are indicated in section 197.29.

B  715.3 Repairs to Engine Driven Generator Units
   A  715.31 Repairs to Prime Movers
This account shall include the cost of repairs to Diesel, gas, oil, and other internal combustion engines, the book cost of which is included in account 342, Engine Driven Generator Units--Internal Combustion. (See § 197.10.)

Note: Repair items are indicated in section 197.29.

A  715.32 Repairs to Generators
This account shall include the cost of repairs to main internal
combustion engine driven generators and main exciters, the book cost of which is included in account 342, Engine Driven Generator Units Internal Combustion. (See § 97.10.)

Note: Repair items are indicated in section 197.29.

B A 715.6 Repairs to Accessory Electric Equipment

This account shall include the cost of repairs to electric equipment the book cost of which has included in account 344, Accessory Electric Equipment--Internal Combustion. (See § 197.10.)

Note: Repair items are indicated in section 197.29.

B A 715.7 Repairs to Miscellaneous Power Plant Equipment

This account shall include the cost of repairs to miscellaneous equipment the book cost of which is included in account 345, Miscellaneous Power Plant Equipment--Internal Combustion. (See § 197.10.)

Note: Repair items are indicated in section 197.29.

D C B A 716 Gas for Power

A. This account shall include the cost of gas purchased which is used for internal combustion power generation.

B. This account shall also include charges for gas transferred to electric operations when such gas is produced primarily for use in another operating department of the utility or of the municipality. (See § 197.33.)

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

* So in original. "ke" should be "be".

D C B A 717 Depreciation of Power Plant

A. This account shall include the depreciation charges of the following classes of depreciable internal combustion power generating property (except such as are chargeable to account 432, Deductions from Rent Revenues Electric):

  Internal Combustion Power Plant Land (account 311 (3))
  Internal Combustion Power Plant Structures (account 312 (3))
  Engine Driven Generator Units--Internal Combustion (account 342)
  Accessory Electric Equipment--Internal Combustion (account 344)
  Miscellaneous Power Plant Equipment--Internal Combustion (account 345)

B. The depreciation charges shall be computed in accordance with subdivision (b) of section 197.7 and shall be concurrently credited to account 261, Depreciation Reserves.

D C B A 718 Production Rents

A. This account shall include rents includible in operating expenses (see § 197.28) for property of the operating municipality (see § 197.33) or of others used in connection with internal combustion power generation.

B. This account shall be kept so as to show the rent for leased production property separately from rent for facilities operated under arrangements for the joint use of facilities of another; and also rents paid to the operating municipality separately from rents paid to others.

OTHER PRODUCTION EXPENSES

D C B A 721 Electricity Purchased
This account shall include the cost at the point of delivery of electricity purchased for resale, including charges for readiness to serve and amounts payable to others for their electricity sold by the accounting utility under agency agreements.

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

* So in original.

Note B: The records supporting the entries to this account shall be kept so as to show for each party from which electricity is obtained, the point of delivery, the maximum demand, the quantity purchased, the basis of charges, and the amount payable therefor.

D C B A 722 Purchased Electricity Expense
This account shall include the cost of operating the equipment used in measuring and testing purchased electricity and any other expenses incidental to the purchase of electricity which are not otherwise provided for.

D C B A 726 Production Expenses Transferred--Cr.
This account shall include concurrent credits for charges representing production expenses of electricity supplied to another coordinate department.

Note: Basis of credits to this account shall be clearly indicated. Such credits shall consist of the equitable proportion of the total production cost, including repairs and depreciation of production property. Any allowance in addition to the amount properly creditable to this account shall be included in account 621, Rent from Electric Property. (See also § 197.33.)

D C B A 729 Duplicate Production Charges--Cr.
This account shall include concurrent credits for charges made for electricity consumed in generating stations.

730 TRANSMISSION EXPENSES

D 731 Transmission System Operation
C B A 731.1 Transmission Supervision and Engineering
This account shall include the pay and expenses of officers, superintendents, and other employees engaged in supervising and directing the operation of the transmission system (see § 197.35); assistants, general foremen, and clerical help on records; such portion of the salaries and expenses of the engineering staff, consulting operating engineers, and draftsmen, as may be applicable; and related office supplies and expenses (but not rent). (See § 197.10.)

C B 731.2 Operation of Transmission Substations
A 731.21 Transmission Substation Labor
This account shall include the pay of employees in transmission substations (see § 197.35), including routine inspecting and testing of equipment operated.

Note: Do not include maintenance labor in this account.

A 731.22 Transmission Substation Supplies and Expenses
This account shall include the cost of supplies used and expenses incurred in the operation of transmission substations. (See § 197.35.)

ITEMS
(See § 197.14)
Building service (but not rent)        Records, substation
Communication service                  Stationery and office supplies
Lubricants and waste                   Tools
Meter supplies                         Water
Note: Do not include maintenance materials in this account.

C B    731.4 Operation of Transmission Lines
   A 731.41 Central Load Dispatching Labor
   This account shall include the pay of system operators, load
dispatchers, and their assistants engaged in the operation of a central
load dispatching system.
   A 731.42 Operation of Overhead Transmission Lines
   This account shall include the pay and expenses of employees engaged
in the operation of the overhead transmission lines (see ð 197.35), and
supplies and small tools used in connection therewith.

ITEMS
(See ð 197.14)
Clearing brush and other refuse        Transportation
Patrolling                             Trimming trees
Shop expenses                          Voltage surveys
Testing lines
Note: Do not include in this account maintenance labor or materials.

A 731.43 Operation of Underground Transmission Lines
This account shall include the pay and expenses of employees engaged
in the operation of underground transmission lines (see ð 197.35), and
supplies and small tools used in connection therewith.

ITEMS
(See ð 197.14)
Cleaning subway ducts, manholes,       Testing lines
and sewer connections                  Transportation
Patrolling                             Voltage surveys
Shop expenses
Note: Do not include in this account maintenance labor or materials.

A 731.45 Miscellaneous Transmission Line Operation Expense
This account shall include miscellaneous supplies used and expenses
incurred not provided for in the foregoing transmission line operating
accounts. (See ð 197.35.)
Note: Do not include in this account maintenance labor or materials.

D C    732 Repairs to Transmission System
   B A 732.1 Repairs to Transmission System Structures
   This account shall include the cost of repairs to transmission
structures, fixtures, and grounds, the book cost of which is included in
account 311 (5), Transmission System Land and Rights of Way, and account
312 (5), Transmission System Structures. (See ð 197.10.)
Note: Repair items are indicated in section 197.29.
   B A 732.2 Repairs to Transmission Roads and Trails
   This account shall include the cost of repairs to roads, trails, and
bridges, the book cost of which is included in account 351, Transmission
Roads and Trails. (See ð 197.10.)
Note: Repair items are indicated in section 197.29.
   B A 732.3 Repairs to Transmission Substation Equipment
   This account shall include the cost of repairs to substation equipment
the book cost of which is included in account 352, Transmission
Substation Equipment. (See ð 197.10.)
Note: Repair items are indicated in section 197.29.
B A 732.4 Repairs to Transmission Overhead Conductors
This account shall include the cost of repairs to overhead conductors and line devices the book cost of which is included in account 353, Transmission Overhead Conductors. (See ð 197.10.)
Note: Repair items are indicated in section 197.29.

B A 732.5 Repairs to Transmission Underground Conductors
This account shall include the cost of repairs to underground conductors and line devices the book cost of which is included in account 354, Transmission Underground Conductors. (See ð 197.10.)
Note: Repair items are indicated in section 197.29.

D C B A 733 Depreciation of Transmission Property
A. This account shall include the depreciation charges for the following classes of depreciable transmission system property (except such as are chargeable to account 432, Deductions from Rent Revenues--Electric):

- Transmission System Land and Rights of Way (account 311 (5))
- Transmission System Structures (account 312 (5))
- Transmission Roads and Trails (account 351)
- Transmission Substation Equipment (account 352)
- Transmission Overhead Conductors (account 353)
- Transmission Underground Conductors (account 354)

B. The depreciation charges shall be computed in accordance with subdivision (b) of section 197.7 and shall be concurrently credited to account 261, Depreciation Reserves.

D C B A 734 Transmission Rents
A. This account shall include rents includible in operating expenses (see ð 197.28) for property of the operating municipality (see ð 197.33) or of others used in connection with the operation or maintenance of the transmission system, including annual payments to state or federal governments for use and occupancy of public lands and reservations for transmission rights of way.

B. This account shall be kept so as to show the rent for leased transmission property separately from rent for facilities operated under arrangements for the joint use of facilities of another; and also rents paid to the operating municipality separately from rents paid to others.

D C B A 735 MAINTENANCE OF POLES, TOWERS, FIXTURES AND CONDUITS
D C B A 736 Repairs to Poles, Towers, and Fixtures
This account shall include the cost of repairs to poles, towers, and fixtures the book cost of which is included in account 358, Poles, Towers, and Fixtures. (See ð 197.10.)
Note: Repair items are indicated in section 197.29.

D C B A 737 Repairs to Underground Conduits
This account shall include the cost of repairs to conduits the book cost of which is included in account 359, Underground Conduits. (See ð 197.10.)
Note: Repair items are indicated in section 197.29.

D C B A 738 Depreciation of Poles, Towers, Fixtures, and Conduits
A. This account shall include the depreciation charges for the following classes of depreciable property (except such as are chargeable to account 432, Deductions from Rent Revenues--Electric):

- Poles, Towers, and Fixtures (account 358)
- Underground Conduits (account 359)

B. The depreciation charges shall be computed in accordance with subdivision (b) of section 197.7 and shall be concurrently credited to
740 DISTRIBUTION EXPENSES

D 741 Distribution System Operation

C B A 741.1 Distribution Supervision and Engineering
This account shall include the pay and expenses of officers, superintendents, and other employees engaged in supervising and directing the operation of the distribution system (see ð 197.35); assistants, general foremen, and clerical help on records; such portion of the salaries and expenses of the engineering staff, consulting operating engineers, and draftsmen, as may be applicable; and related office supplies and expenses (but not rent). (See ð 197.10.)

C B 741.2 Operation of Distribution Substations
A 741.21 Distribution Substation Labor
This account shall include the pay of employees in distribution substations (see ð 197.35), including routine inspecting and testing of equipment operated.
Note: Do not include maintenance labor in this account.
A 741.22 Distribution Substation Supplies and Expenses
This account shall include the cost of supplies used and expenses incurred in the operation of distribution substations. (see ð 197.35.)

ITEMS
(See ð 197.14)

Building service (but not rent) Stationery and office supplies
Communication service Tools
Lubricants and waste Transportation
Meter supplies Water
Records, substation
Note: Do not include maintenance materials in this account.

C B 741.3 Operation of Storage Batteries
A 741.31 Storage Battery Labor
This account shall include the pay of batterymen, inspectors, and testers engaged in the operation of storage batteries the book cost of which is included in account 362, Storage Battery Equipment.
A 741.32 Storage Battery Supplies and Expenses
This account shall include the cost of supplies used and expenses incurred in the operation of storage batteries the book cost of which is included in account 362, Storage Battery Equipment.

ITEMS
(See ð 197.14)

Acid Paint
Automatic cell fillers Rubber hose
Brooms Shoes
Brushes for boosters and compensators Soda
Distilled water for cells Sponges
Gloves Thermometers
Hydrometers Waste
Mops
Note: Do not include maintenance materials in this account.

C B 741.4 Operation of Distribution Lines
A 741.42 Operation of Overhead Distribution Lines
This account shall include the pay and expenses of employees engaged in the operation of overhead distribution lines (see ð 197.35) and services, and supplies and small tools used in connection therewith.

ITEMS
Clearing brush and other refuse        Transportation
Patrolling                             Trimming trees
Shop expenses                          Voltage surveys
Testing lines

Note: Do not include in this account maintenance labor or materials.

A 741.43 Operation of Underground Distribution Lines

This account shall include the pay and expenses of employees engaged in the operation of underground distribution lines (see § 197.35) and services, and supplies and small tools used in connection therewith.

ITEMS

Cleaning subway ducts, manholes,       Testing lines
and sewer connections                  Transportation
Patrolling                             Voltage surveys
Shop expenses

Note: Do not include in this account maintenance labor or materials.

A 741.44 Removing and Resetting Line Transformers

This account shall include the cost of labor, materials, and other expenses incident to inspecting, testing, removing, resetting, and changing location of line transformers. (See account 365, Line Transformers.)

A 741.45 Miscellaneous Distribution Line Operation Expense

This account shall shall* include miscellaneous supplies used and expenses incurred in the operation of distribution lines not provided for elsewhere.

* So in original.

C B 741.5 Operation of Consumers' Meters
A 741.51 Meter Supervision and Records

This account shall include the pay and expenses of superintendents and assistants engaged in the operation of the meter department, clerical help on records, and supplies used and expenses incurred in connection therewith.

ITEMS

Employees:                          Supplies and Expenses:
Cleaners                            Building service (but not rent)
Clerks in meter department          Communication service
Janitors                            Electric service
Superintendents and assistants      Records, keeping of
Watchmen                            Stationery and office supplies
                                       Transportation

A 741.52 Removing and Resetting Meters

This account shall include the cost of labor and materials used and expenses incurred in removing and resetting or changing location of meters on consumers' premises.

Note: The cost of the first setting of meters on a new service line shall be charged to account 369, Consumers' Meter Installation.

C B A 741.6 Service on Consumers' Premises

This account shall include the cost of labor and materials used and expenses incurred in work on consumers' premises other than those included in accounts 741.44, Removing and Resetting Line Transformers, 741.52, Removing and Resetting Meters, and 742.81, Testing Consumers' Meters.
ITEMS
(See § 197.14)

Changing location of lamps
Improving character of service
Inspecting premises
Installing, removing, and renewing lamps
Investigating and adjusting consumers' service complaints
Moving appliances
Repairing wiring, fixtures, and appliances
Testing consumers' equipment

Note A: Damages to consumers' 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 employees were engaged at the time such damage occurred.

Note B: Expenses incidental to taking routine demands shall be charged to account 742.81, Testing Consumers' Meters; those incidental to taking demand and power factor readings for billing purposes shall be charged to account 761.22, Meter Reading.

D 742 Repairs to Distribution System
C 742.1 Repairs to Distribution Structures and Equipment
   B A 742.11 Repairs to Distribution System Structures
This account shall include the cost of repairs to buildings, fixtures, and grounds, the book cost of which is included in account 311 (6), Distribution System Land and Rights of Way, account 312 (6), Distribution System Structures. (See § 197.10.)
   Note: Repair items are indicated in section 197.29.
   B A 742.13 Repairs to Distribution Substation Equipment
   This account shall include the cost of repairs to distribution substation equipment, the book cost of which is included in account 361, Distribution Substation Equipment. (See § 197.10.)
   Note: Repair items are indicated in section 197.29.
   B A 742.14 Repairs to Storage Battery Equipment
   This account shall include the cost of repairs to supplementary and standby storage battery equipment, the book cost of which is included in account 362, Storage Battery Equipment. (See § 197.10.)
   Note: Repair items are indicated in section 197.29.
   C B 742.4 Repairs to Overhead Distribution Conductors
      A 742.41 Repairs to Alternating Current Distribution Overhead Conductors
      This account shall include the cost of repairs to alternating current overhead conductors and line devices, the book cost of which is included in subdivisions (1) and (2) of account 363, Distribution Overhead Conductors. (See § 197.10.)
      Note: Repair items are indicated in section 197.29.
      A 742.42 Repairs to Direct Current Overhead Conductors
      This account shall include the cost of repairs to direct current overhead conductors and line devices, the book cost of which is included in subdivision (3) of account 363, Distribution Overhead Conductors. (See § 197.10.)
      Note: Repair items are indicated in section 197.29.
   C B 742.5 Repairs to Underground Distribution Conductors
      A 742.51 Repairs to Alternating Current Distribution Underground Conductors
      This account shall include the cost of repairs to underground
alternating current conductors and line devices, the book cost of which is included in subdivisions (1) and (2) of account 364, Distribution Underground Conductors. (See § 197.10.)

Note: Repair items are indicated in section 197.29.

A 742.52 Repairs to Direct Current Underground Feeders and Mains, and Edison Tube

This account shall include the cost of repairs to underground direct current feeders, mains, Edison Tube, and line devices, the book cost of which is included in subdivisions (3) and (4) of account 364, Distribution Underground Conductors. (See § 197.10.)

Note: Repair items are indicated in section 197.29.

C B 742.6 Repairs to Line Transformers

A 742.61 Repairs to Overhead Line Transformers

This account shall include the cost of repairs to overhead line transformers the book cost of which is included in account 365 (1), Line Transformers--Overhead. (See § 197.10.)

Note: Repair items are indicated in section 197.29.

A 742.62 Repairs to Underground Line Transformers

This account shall include the cost of repairs to underground line transformers the book cost of which is included in account 365 (2), Line Transformers--Underground. (See § 197.10.)

Note: Repair items are indicated in section 197.29.

C B 742.7 Repairs to Services

A 742.71 Repairs to Overhead Services

This account shall include the cost of repairs to services the book cost of which is included in account 366, Overhead Services. (See § 197.10.)

Note: Repair items are indicated in section 197.29.

A 742.72 Repairs to Underground Services

This account shall include the cost of repairs to services the book cost of which is included in account 367, Underground Services. (See § 197.10.)

Note: Repair items are indicated in section 197.29.

C B 742.8 Testing and Repairing Consumers' Meters

A 742.81 Testing Consumers' Meters

This account shall include the cost of routine testing and inspection of meters, including demand meters, on consumers' premises or in meter shops, and the preparation of test cards and load cars.

Note: The cost of the first test of meters and auxiliary equipment shall be charged to the account to which such meters are charged.

A 742.82 Repairs to Consumers' Meters

This account shall include the cost of repairs to meters, devices, and appurtenances thereto, the book cost of which is included in account 368, Consumers' Meters, and account 369, Consumers' Meter Installation. (See § 197.10.)

Note: Repair items are indicated in section 197.29.

C B A 742.9 Repairs to Other Property on Consumers' Premises

This account shall include the cost of repairs to property on consumers' premises, the book cost of which is included in account 370, Other Property on Consumers Premises. (See § 197.10.)

Note: Repair items are indicated in section 197.29.

D C B A 743 Depreciation of Distribution Property

A. This account shall include the depreciation charges for the following classes of depreciable distribution property (except such as
are chargeable to account 432, Deductions from Rent Revenues--Electric):
  Distribution System Land and Rights of Way (account 311 (6))
  Distribution System Structures (account 312 (6))
  Distribution Substation Equipment (account 361)
  Storage Battery Equipment (account 362)
  Distribution Overhead Conductors (account 363)
  Distribution Underground Conductors (account 364)
  Line Transformers (account 365)
  Overhead Services (account 366)
  Underground Services (account 367)
  Consumers' Meters (account 368)
  Consumers' Meter Installation (account 369)
  Other Property on Consumers' Premises (account 370)

B. The depreciation charges shall be computed in accordance with subdivision (b) of section 197.7 and shall be concurrently credited to account 261, Depreciation Reserves.

D. C. B. A. 744 Distribution Rents

A. This account shall include rents includible in operating expenses (see § 197.28) for property of the operating municipality (see § 197.33) or of others used in connection with the operation or maintenance of the distribution system (see § 197.35*, including annual payments to State or Federal governments for use and occupancy of public lands and reservations for distribution rights of way.

* So in original. Closing parentheses inadvertently omitted.

B. This account shall be kept so as to show the rent for leased distribution property separately from rent for facilities operated under arrangements for the joint use of facilities of another; and also rents paid to the operating municipality separately from rents paid to others.

750 STREET LIGHTING AND SIGNAL SYSTEM EXPENSES

D. C. B. A. 751 Street Lighting and Signal System Operation

C. B. A. 751.1 Street Lighting and Signal System Supervision and Engineering

This account shall include the pay and expenses of officers, superintendents, and other employees engaged in supervising and directing the operation of street lighting and signal systems; assistants, general foremen, and clerical help on records; such portion of the salaries and expenses of the engineering staff, consulting operating engineers, and draftsmen, as may be applicable; and related office supplies and expenses (but not rent). (See also §§ 197.10, 197.33.)

Note: The utility may keep expenses applicable to street lighting separate from expenses applicable to signal system operations.

C. B. A. 751.2 Operation of Street Lighting and Signal Systems

A. 751.21 Operation of Overhead Street Lighting and Signal Systems

This account shall include the cost of labor and materials used and expenses incurred in the operation of overhead street lighting and signal systems, including traffic, fire and police signal systems.

ITEMS

Clearing brush and other refuse
Patrolling
Testing lines

(See § 197.14)

Transportation
Trimming trees
Voltage surveys

Note A: Do not include in this account maintenance labor or materials.

Note B: The utility may keep expenses applicable to street lighting
separate from expenses applicable to signal system operations.

A 751.22 Operation of Underground Street Lighting and Signal Systems

This account shall include the cost of labor and materials used and expenses incurred in the operation of street lighting and signal systems, including traffic, fire, and police signal systems.

ITEMS

(See § 197.14)

Cleaning subway ducts, manholes, Testing lines
and sewer connections Transportation
Patrolling Voltage surveys
Note A: Do not include in this account maintenance labor or materials.
Note B: The utility may keep expenses applicable to street lighting separate from expenses applicable to signal system operations.

D C B A 752 Repairs to Street Lighting and Signal System Equipment

A 752.1 Repairs to Overhead Street Lighting and Signal System Equipment

This account shall include the cost of repairs to overhead street lighting and signal system equipment the book cost of which is included in account 371 (1), Street Lighting and Signal System Equipment--Overhead.

Note A: Repair items are indicated in Section 197.29.
Note B: The utility may keep expenses applicable to street lighting separate from expenses applicable to signal system operations.

A 752.2 Repairs to Underground Street Lighting and Signal System Equipment

This account shall include the cost of repairs to underground street lighting and signal system equipment the book cost of which is included in account 371 (2), Street Lighting and Signal System Equipment--Underground.

Note A: Repair items are indicated in section 197.29.
Note B: The utility may keep expenses applicable to street lighting separate from expenses applicable to signal system operations.

D C B A 753 Depreciation of Street Lighting and Signal System Equipment

A. This account shall include the depreciation charges for street lighting and signal system equipment the book cost of which is included in account 371, Street Lighting and Signal System Equipment (except such as are chargeable to account 432, Deductions from Rent Revenues--Electric).

B. The depreciation charges shall be computed in accordance with subdivision (b) of section 197.7 and shall be concurrently credited to account 261, Depreciation Reserves.

Note: The utility may keep expenses applicable to street lighting separate from expenses applicable to signal system operations.

D C B A 754 Street Lighting and Signal System Rents

A. This account shall include rents includible in operating expenses (see § 197.28) for property of the operating municipality (see § 197.33) or of others used in connection with the operation or maintenance of street lighting or signal systems.

B. This account shall be kept so as to show the rents for such property separately from rent for facilities operated under arrangements for the joint use of facilities of others; and also rents paid to the operating municipality separately from rents paid to others.

Note: The utility may keep expenses applicable to street lighting
separate from expenses applicable to signal system operations.

760 CONSUMERS' ACCOUNTING AND COLLECTING EXPENSES

D C 761 Consumers' Accounting and Collecting Labor and Supplies

Note: When duties of individual employees are so diversified that distribution of pay to this account and to account 771, Sales Labor and Supplies, and account 781, General Office Salaries and Expenses, is impracticable, Class D utilities may charge such pay to the account or accounts to which the major portion of the time of such employees is applicable. Office supplies and expenses may be accounted for in like manner.

B A 761.1 Consumers' Accounting and Collecting Supervision

This account shall include the pay and expenses of officers and employees engaged in supervising and directing work on consumers' contracts, orders, inquiries, and accounts, and in meter reading and collecting; and related office supplies and expenses (but not rent). (See § 197.10.)

B 761.2 Consumers' Orders, Meter Reading, and Collecting

A 761.21 Consumers' Orders

This account shall include the pay and expenses of employees engaged in work on consumers' applications, contracts, orders, and inquiries; and supplies used and expenses incurred in connection therewith. (See §§ 197.10, 197.33.)

ITEMS

(See § 197.14)

Employees on:                          Inquiries
Complaints                             Filing in connection with above
Contracts                             Typing in connection with above
Expenses:                              Repairs to furniture and office
Books                                    equipment
Building service (but not rent)        Stationery
Office supplies                        Transportation
Postage

A 761.22 Meter Reading

This account shall include the pay and expenses of employees engaged in reading consumers' meters, and supplies used and expenses incurred in connection therewith. (See §§ 197.10, 197.33.)

ITEMS

(See § 197.14)

Badges                                 Meter readers, pay of
Building service (but not rent)        Transportation
Forms for recording readings           Uniforms
Lamps

A 761.23 Collecting

This account shall include the pay and expenses of employees engaged in collecting consumers' bills, and supplies used and expenses incurred in connection therewith. (See §§ 197.10, 197.33.)

ITEMS

(See § 197.14)

Building service (but not rent)        Postage
Commissions, fees, or salaries of       Repairs to furniture and office
collectors                              equipment
Disconnection for non-payment of bills Stationery and printing
Office supplies
B A 761.3 Consumers' Billing and Accounting

This account shall include the pay and expenses of employees engaged in consumers' billing and accounting, and supplies used and expenses incurred in connection therewith. (See ð 197.10, 197.33.)

ITEMS
(See ð 197.14)
Accounts, consumers' keeping of Office supplies
Addressograph plates Postage
Billing Repairs to furniture and office equipment
Bookkeeping Stationery and printing
Books Statistical work on consumers' accounts
Building service (but not rent) Tabulating sales
Delivery of bills Transportation

B A 761.4 Miscellaneous Consumers' Accounting and Collecting Expenses

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

D C B A 764 Consumers' Accounting and Collecting Rents

This account shall include rents includible in operating expenses (see ð 197.28) for property of the operating municipality (see ð 197.33) or of others used in connection with consumers' accounting and collecting.

770 SALES EXPENSES

D C 771 Sales Labor and Supplies

Note: When duties of individual employees are so diversified that distribution of pay to this account and to account 761, Consumers' Accounting and Collecting Labor and Supplies, and account 781, General Office Salaries and Expenses, is impracticable, Class D utilities may charge such pay to the account or accounts to which the major portion of the time of such employees is applicable. Office supplies and expenses may be accounted for in like manner.

B A 771.1 Sales Supervision

This account shall include the pay and expenses of officers and employees engaged in supervising and directing the sales department and the solicitation of new business; assistants, salesmen, stenographers, and clerical help on records; and related office supplies and expenses (but not rent). (See ð 197.10, 197.33.)

B 771.2 Demonstration, Advertising, and Other Sales Expenses
A 771.21 Demonstration

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

ITEMS
(See ð 197.14)
Employees:
Demonstrators Building service (but not rent)
Instructors Communication service
Typists and clerks Demonstration supplies

A 771.22 Advertising

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

ITEMS
(See § 197.14)
Advertising in newspapers, periodicals, etc.
Advertising manager and assistants
Clerks
Materials and expenses in preparing:
Advertisements
Booklets
Bulletins
Dodgers
Posters
Stenographers and typists

Note B: Advertisements not directly connected with the promotion of the sale of electricity, such as advertisements in connection with employment, changes in rates, cases before regulatory commissions or courts, the sale of bonds, or other securities, or general public relations, shall not be included in this account but in account 785, Other General Expenses, or other appropriate account.

A 771.23 Miscellaneous Sales Expenses
This account shall include labor and materials used and expenses incurred in soliciting new business other than those chargeable to the foregoing accounts. (See also § 197.33.)

ITEMS
(See § 197.14)
Canvassers, pay and expenses
Commissions
Estimates, cost of preparing
Installations, technical advice on
D C B A 772 Appliance Selling and Jobbing
A. This account shall include revenues derived from the sale by the utility or its employees or agents, of goods or appliances which operate by means of electricity; also the performance, by the utility or by its employees, of jobbing or contract work, such as wiring and installing appliances, constructing at consumers' expense services not includible in operating property, etc.
B. This account shall also include the profit or commission accruing to the utility on merchandise sales or on jobbing for others as agent.
C. To this account shall be charged the cost of merchandise sold and jobbing work done for its own account.
D C B A 774 Sales Department Rents
This account shall include rents includible in operating expenses (see § 197.28) for property of the operating municipality (see § 197.33) or of others used for the sales department.

780 ADMINISTRATIVE AND GENERAL EXPENSES
D C 781 General Office Salaries and Expenses
Note: When duties of individual employees are so diversified that distribution of pay to this account and to account 761, Consumers' Accounting and Collecting Labor and Supplies, and account 771, Sales Labor and Supplies, is impracticable, Class D utilities may charge such pay to the account or accounts to which the major portion of the time of such employees is applicable. Office supplies and expenses may be accounted for in like manner.
B A 781.1 Executive Department
This account shall include the pay, office, traveling, and other
expenses of officers who are engaged in the general administration or management of the utility, and the pay and expenses of their assistants and office forces.

ITEMS
(See § 197.14)

Salaries:
Managers, general and division
Members of governing board
Municipal officers, whose duties include supervision of the plant and who devote part of their time thereto, equitable portion of (See also § 197.33.)
Secretary
Superintendents
Assistants authorized to act for officers
Office and staff forces (e.g., staff assistants, secretaries, stenographers, clerks, messengers, office boys, etc.) of officers and employees of executive department

Expenses:
Books and periodicals
Building service (but not rent)
Communication service
Meals, including payments therefor on account of overtime work
Office supplies
Postage
Printing
Repairs to furniture and office equipment
Stationery
Transportation

Note A: Do not include in this account amounts payable to organizations for service chargeable to account 782, Management Service.

Note B: If officers or assistants supervise particular departments of electric operations or other operations, or are engaged in specific work other than supervision of the entire electric system, their pay and expenses shall be apportioned to the appropriate accounts for electric operations or other operations. (See also § 197.33.)

B A 781.2 Treasury and Accounting Departments
This account shall include the pay, office, traveling, and other expenses of officers, assistants and office forces, of the treasury and general accounting departments, except such as are chargeable to consumers' accounting and collecting or to other departments of electric operations.

ITEMS
(See § 197.14)

Salaries:
Accountants (other than on consumers' accounts or on work in other departments of electric operations)
Accounting and audit fees
Auditors
Bookkeepers (other than on consumers' accounts or in departmental offices)
Cashiers (other than on consumers' accounts)
Chief accountant
Comptroller
Members of governing board
Municipal officers, whose duties include supervision of the plant, and who devote part of their time thereto, equitable portion of (See § 197.33.)

Office manager
Paymasters
Treasurer
Assistants authorized to act for officers
Office and staff forces (e.g., staff assistants, secretaries, clerks, stenographers, messengers, office boys, etc.) of officers and employees of treasury and accounting departments

Expenses:
Books and periodicals
Building service (but not rent)
Communication service
Meals, including payments therefor on account of overtime work
Office supplies
Postage
Printing, including bond certificates for transfer purposes (see also note D hereunder)
Repairs to furniture and office equipment
Stationery
Transportation

Note A: Do not include in this account amounts payable to organizations for services chargeable to account 782, Management Service.

Note B: If officers or assistants supervise particular departments of electric operations or other operations, or are engaged in specific work other than supervision of the entire electric system, their pay and expenses shall be apportioned to the appropriate accounts for electric operations or other operations. (See §§ 197.10, 197.33.)

Note C: This account may be subdivided to show expenses applicable to the treasury department separately from those which apply to the accounting department.

Note D: The cost of printing bonds in connection with new or additional issues shall be charged to account 141, Unamortized Debt Discount and Expense, or account 271, Unamortized Premium on Debt, as appropriate.

B A 781.3 Law Department
This account shall include, except as provided elsewhere (see notes A and B hereunder), the pay and expenses of officers, assistants, office forces, and other employees of the law department of the municipal electric utility; fees and retainers, supplies, and expenses of attorneys not regularly employed; court costs; and supplies and expenses of the law office of the municipal electric utility.

ITEMS
(See § 197.14)

Salaries:
Attorneys and assistants
Clerks
Counsel
Law clerks
Solicitors
Special counsel
Other employees of law department
Expenses:
- Building service (but not rent)
- Communication service
- Cost of law suits
- Cost of preparing and printing agreements, briefs, reports, etc.
- Court costs
- Court fees
- Law books, periodicals, and subscriptions to special services
- Law forms and law office supplies
- Meals, including payment therefor on account of overtime work
- Office supplies and expenses
- Payments to attorneys who are not regular employees
- Postage
- Premiums on court or other bonds
- Printing
- Repairs to furniture and office equipment
- Stationery
- Tax reports, claims, etc., when handled by legal staff
- Transcripts of testimony, copies of exhibits, etc.
- Transportation
- Traveling expenses of attorneys, witnesses, etc.
- Witness fees

Note A: The pay of general law department officers and employees engaged in formal cases before regulatory commissions, or in cases in which such a commission is a party, or when specifically assigned to injury or damage cases, shall be charged to account 146, Regulatory Commission Suspense, account 783.2, Injuries and Damages, or other appropriate account.

Note B: Law expenses incident to the construction of electric property or the acquisition of certificates from federal or state commissions or securing from local authorities franchises or consents shall be charged to the appropriate operating property accounts. (For law expenses in connection with property purchased, see section 197.27.) Law expenses incident to the issuance of long term debt shall be charged to account 141, Unamortized Debt Discount and Expense, or account 271, Unamortized Premium on Debt.

Note C: See also section 197.33.

B A 781.4 Other General Office Salaries
This account shall include the pay of officers, assistants, office forces, and other employees engaged in the general office of the electric department and not elsewhere provided for.

Note: Salaries which are clearly applicable to any group of operating expenses other than Administrative and General shall not be included in this account.

B A 781.5 Other General Office Supplies and Expenses
This account shall include the expenses incurred and the cost of supplies for the electric general office, including office building service. (See also 197.33.)

ITEMS
(See õ 197.14)

<table>
<thead>
<tr>
<th>Books</th>
<th>Repairs to office equipment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building service (but not rent)</td>
<td>Stationery</td>
</tr>
<tr>
<td>Communication service</td>
<td>Subscriptions to newspapers, periodicals, and clipping</td>
</tr>
<tr>
<td>Forms for office use</td>
<td></td>
</tr>
</tbody>
</table>
Office supplies  
Postage  
Printing  
bureaus  
Transportation  
Waste baskets

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

Note B: The cost of repairs to general office structures shall be charged to account 787, Repairs to General Property.

Note C: Exclude herefrom and include in accounts 761-774, the expenses of the consumers' accounting and collecting and sales departments of the utility.

D C B A 782 Management Service

This account shall include all fees and incidental expenses payable by the utility to organizations or persons other than its own employees or employees of the operating municipality, for continuously rendered management and supervision services. (See also § 197.33.)

Note A: The records supporting this account shall be kept so as to show the bases for the charges hereto, and the payee.

D C  783 Insurance, Injuries, and Damages

B A 783.1 Insurance

This account shall include the cost of insurance to protect the utility against losses and damages to owned or leased property used in its electric operations except as provided in note C hereunder. This includes the premiums payable to insurance companies or amounts credited to account 264, Insurance Reserve, for fire, storm, burglary, boiler, explosion, lightning, and other insurance; and special costs incurred in procuring insurance, such as notarial fees, insurance inspection service; and the pay, traveling, and office expenses of officers, clerks, and other employees of an insurance department.

Note A: Recoveries from insurance companies or others for property damages shall be credited to the account charged with the cost of the repairs. If the damaged property is retired, the credit shall be to account 261, Depreciation Reserves.

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

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

Materials and supplies and stores equipment, to account 802, Stores--Clearing.
Shop and laboratory equipment, to account 803, Shop and Laboratory--Clearing.
Transportation and garage equipment, to account 804, Transportation--Clearing.

Insurance on other property may be distributed to the accounts herein in accordance with the use of the property insured.

Note D: See also section 197.33.

B A 783.2 Injuries and Damages

A. This account shall include losses (except as provided in note D herein) not covered by insurance, on account of injuries or deaths to employees or others, which occur in connection with electric operations,
including payments and expenses on account of damages to the property of others in connection with such operations whether by fire, flood, storm, or other cause. Amounts may be accrued monthly sufficient to meet the probable liability for such losses, with concurrent credits to account 265, Injuries and Damages Reserve, in which case such losses shall be charged to the reserve.

B. This account shall also include:
   (1) Pay and expenses of officers and employees regularly engaged in or specifically assigned to work in connection with injuries to employees or others, damages to property of others, etc. (See section 197.10.)
   (2) Payments to attorneys, investigators, and adjusters, court costs, etc.
   (3) Insurance premiums for protection against claims from injuries and damages, including public liability, property damage, workmen's compensation, boiler, casualty, etc. (except as provided in note D herein)

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

Note A: Accruals to this account may be made upon the basis of a percentage of revenue, quantity of electricity sold, or other appropriate basis.

Note B: Payments to or on behalf of employees, including accident and death benefits, salaries, hospital expenses, medical supplies, and also salaries, fees, and expenses of surgeons, doctors, nurses, etc., when provided for through a plan for employees' benefits, shall be charged to account 785.1, Employees' Welfare Expenses.

Note C: No part of the salaries of officers or employees of the law department shall be included in this account for merely incidental services in connection with injury and damage claims. (See § 197.10.)

Note D: Losses or insurance in connection with transportation and garage equipment shall be charged to account 804, Transportation--Clearing. The utility may distribute other losses to the accounts provided for the operation in connection with which the losses were incurred. (See also clearing accounts 802-808.)

Note E: See also section 197.10.

D C B A 784 Regulatory Commission Expenses

This account shall include expenses incurred by the utility in connection with formal cases before federal or state regulatory commissions, or cases in which such a body is a party, which by order of the Commission are chargeable hereto. (See account 146, Regulatory Commission Suspense.)

D C 785 Other General Expenses

B A 785.1 Employees' Welfare Expenses

A. This account shall include pensions paid to retired employees or their beneficiaries and the costs incurred because of membership of employees of the utility in New York State Employees' Retirement System.

B. This account shall include the cost incurred in conducting employees' accident prevention, educational and recreational activities, the cost of employees' relief and benefits (other than injuries and damages chargeable to account 783.2, Injuries and Damages and the cost of life and other insurance underwritten or paid by the utility on employees for the benefit of such employees or their beneficiaries*.

* So in original. Closing parentheses inadvertently omitted.
Note A: Any municipality which, after the effective date of this order, joins the New York State Employees' Retirement System for the benefit of the employees of any utility department subject to the jurisdiction of the Public Service Commission, shall promptly notify the Commission of that action, giving the effective date of membership, and submit a copy of the report of the State actuary.

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

Note C: See also sections 197.11 and 197.33.

B A 785.2 Miscellaneous General Expenses

A. This account shall include all general expenses connected with electric operations not provided for elsewhere. This includes fees and expenses payable to trustees; dues in associations of public utilities; expenses in connection with publishing and mailing reports and notices to governing bodies or to citizens of the operating municipality, etc.; cash overages and shortages; badges and uniforms of employees; and other like items.

B. Class D utilities which do not keep clearing accounts 802 to 808 shall charge to this account the cost of items includible in such clearing accounts except when the expenditures are chargeable to operating property accounts (see § 197.21), or are clearly applicable to a particular account. Repairs shall be charged to account 787, Repairs to General Property; and depreciation shall be charged to account 788, Depreciation of General Property.

Note: See also section 197.33.

D C B A 786 General Rents

This account shall include the rent accrued each month on all items of property of the municipality (see § 197.33) or of a general character, such as office buildings, office space, shops, storehouses, etc., used in electric operations, except rent for property constituting a distinct operating unit of which the utility has exclusive possession. (See also account 433, Rent for Lease of Electric Plant--Dr.)

Note A: Revenues from subleasing property the rent for which is included in this account shall be credited to account 621, Rent from Electric Property (§ 200.5).

D C B A 787 Repairs to General Property

This account shall include the cost of repairs to office buildings, storehouses, shops, laboratories, garages, and the grounds appurtenant thereto, or other property, the book cost of which is included in subdivisions (7), (8), (9), (10), and (11) of account 311, Land, or subdivisions (7), (8), (9), (10), and (11) of account 312, Structures, account 385, Communication Equipment, account 388, Miscellaneous General Equipment, and account 391, Miscellaneous Tangible Property.

Note A: Repair items are indicated in section 197.29.

Note B: See also § 197.33.

Note C: Repairs to office equipment shall be charged to the same account as supplies and expenses of the office or other room in which such equipment is located.

Note D: If account 808, General Tools and Implements--Clearing, is not used, repairs to general tools and implements shall be included in this account.

D C B A 788 Depreciation of General Property

A. This account shall include the depreciation charges for the following classes of depreciable general structures and grounds and
general equipment (except such as are chargeable to account 432, Deductions from Rent Revenues--Electric*:

* So in original. Closing parentheses inadvertently omitted.

Office Land (account 311 (7))
Shop Land (account 311 (8))
Stores Land (account 311 (9))
Transportation Land (account 311 (10))
Miscellaneous Land (account 311 (11))
Office Structures (account 312 (7))
Shop Structures (account 312 (8))
Stores Structures (account 312 (9))
Transportation Structures (account 312 (10))
Miscellaneous Structures (account 312 (11))
Office Equipment (account 381)
Communication Equipment (account 385)
Miscellaneous General Equipment (account 388)
Miscellaneous Tangible Property (account 391)

B. This account shall also include the portion applicable to electric operations of the depreciation charges upon similar property in Operating Property--General, which is partly used in electric operations.

C. The depreciation charges shall be computed in accordance with subdivision (b) of section 197.7 and shall be concurrently credited to account 261, Depreciation Reserves.

Note B: If account 808, General Tools and Implements--Clearing, is not used, depreciation charges for general tools and implements (account 387), shall be included in this account.

D C B A 789 Deferred Retirement Losses

This account shall include the portion of the unamortized service value of electric or general operating property retired which, by order of the Commission, the utility is required to charge hereto each month with concurrent credits to account 143, Suspense to be Amortized. (See § 197.23, subd. (b).)

D C B A 790 Amortization of Intangible Property

A. This account shall include amortization charges for limited term leaseholds, rights of way, water diversion rights, water rights, patent rights, licenses, and cost of and expenses incidental to the acquisition of franchises, consents, permits, privileges, etc., which are included in accounts 302, Franchises and Consents, 303, Miscellaneous Intangible Property, and 311, Land. Such charges shall be computed so as to distribute the book cost of each item evenly throughout its life.

B. This account shall also include the portion applicable to electric operations of the amortization charges upon similar property in Operating Property--General, which is partly used in electric operations.

C. The amounts charged to this account shall be concurrently credited to account 262, Amortization Reserves.

D. This account shall also be charged or credited with the loss or profit at the retirement of any item of intangible property listed above as provided in account 262, Amortization Reserves.

D C B A 791 Franchise Requirements

A. This account shall include annual or more frequent payments to municipal or other governmental authorities (except the operating municipality), and the cost of services and materials furnished such
authorities, in compliance with franchises, ordinances, or similar requirements, to the extent that payment therefor is not received. (See also § 197.33.)

B. The utility may charge to this account at regular tariff rates, instead of cost, electricity furnished without charge under provisions of franchises to others than the operating municipality.

C. When no direct outlay is involved, concurrent credit for such charges shall be to account 793, Duplicate Miscellaneous Charges--Cr. D C B A 792 Miscellaneous Expenses Transferred--Cr.

This account shall include such part of operating costs (except steam and other production costs), borne in the first instance by the electric department, as is properly chargeable to another coordinate department of the utility, such as a gas department. This is not intended to prohibit the direct apportionment of expenses between departments, and so far as practicable, that shall be done. (See also § 197.33.)

D C B A 793 Duplicate Miscellaneous Charges--Cr.

This account shall include concurrent credits for charges which are made to account 791, Franchise Requirements, to the extent that such charges do not represent direct outlays. It shall also include concurrent credits for charges which are made to operating expense accounts other than production expenses, for electricity used by or services rendered to the electric department for which there is no direct money outlay.

Note: Exclude from this account any transactions with the operating municipality. (See § 197.33.)

Clearing accounts utilities in Classes A, B, and C

Required

801. Charges by Operating Municipality

Optional

802. Store--Clearing
803. Shop and Laboratory--Clearing
804. Transportation--Clearing

Clearing accounts utilities in Class D

Required

801. Charges by Operating Municipality

Optional

802. Stores-Clearing
803. Shop and Laboratory--Clearing
804. Transportation--Clearing
805. Building Service
807. Engineering--Clearing
808. General Tools and Implements--Clearing

REQUIRED

A. This account shall include all amounts payable by the utility or which were credited to the operating municipality for any purpose whatsoever. This includes contributions in cash or property, charges for or incident to management, purchasing, construction, accounting, engineering, and other services, rentals, advertising, portions of
salaries and expenses of officers or employees of the operating municipality, printing, insurance, portions of expenses of the operating municipality which are also a benefit to the utility, materials, commissions, taxes, and all other items. This includes all such items, whether the ultimate distribution through this account is to property, operating expense, or other accounts. Items for which no payment is to be made shall be credited to account 280, Contributions-Operating Municipality.

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

C. No debits for any expenditures described in paragraph A hereof shall be made to any other account in this system of accounts except by clearing through this account.

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

802. Stores--Clearing

A. This account shall be charged with the cost of supervision, labor, and expenses applicable to the operation of the utility's storerooms, including the purchase, storage, handling, and distribution of materials and supplies; and also repairs and depreciation of stores equipment. (See also 197.33.)

B. Credit to this account cash discounts when such discounts can not be applied to particular materials.

C. This account shall be cleared by crediting hereto amounts sufficient to distribute the stores expenses over the cost of the materials handled.

ITEMS
(See 197.14)

Adjustment of inventories of materials and supplies (see account 123, Materials and Supplies)
Books, stationery, postage, and office supplies
Building service (but not rent)
Collecting and handling scrap materials in stores
Communication service
Delivery charges
Depreciation of stores equipment (account 382)
Discount on materials, not assignable to specific items
Fees and expenses for purchasing service
Freight, expressage, etc., not assignable to specific items
Heat, light, and power
Injuries and damages
Inspecting and testing materials and supplies, not assignable to specific items
Insurance on stores materials and supplies and on stores equipment
Losses due to breakage, leakage, evaporation, fire, and other causes
Pay and expenses of purchasing agents, storekeepers, clerks, and others employed in storerooms or in stores offices
Repairs to stores equipment
Transporting materials into storehouse, not assignable to specific items
Unloading cost

Note: Transportation charges on materials recovered from plant shall be charged to the account to which the cost of removal was charged.
803. Shop and Laboratory--Clearing
A. This account shall be charged with the cost of supervision, labor, and expenses applicable to the operation of the shops and the laboratories of the utility. (See also § 197.33.)
B. This account shall be cleared by crediting hereto amounts sufficient to distribute the shop and laboratory expenses to the operating expense or other accounts to which the amounts included herein are applicable.

ITEMS
(See § 197.14)
Books and stationery
Building service (but not rent)
Charts
Collecting and handling scrap materials
Communication service
Depreciation of shop and laboratory equipment (accounts 383 and 386)
Electric service
Heat, light, and power
Injuries and damages
Inspecting and testing pipe
Insurance on shop and laboratory equipment
Pay and expenses of superintendents, machinists, chemists, and others employed in shops and laboratories
Periodicals
Repairs to shop and laboratory equipment
Testing supplies
Note: When the expenses in connection with a shop or laboratory are chargeable to a single account, they may be charged directly to such account.

804. Transportation--Clearing
A. This account shall be charged with the cost of supervision, labor, and expenses applicable to the operation of the transportation equipment of the utility. (See also § 197.33.)
B. This account shall be cleared by apportionment to property, operating expense, or other accounts on the basis of time and/or mileage of vehicles, with due regard to differences in size and character of vehicles.

ITEMS
(See § 197.14)
Building service (but not rent)
Communication service
Depreciation of transportation and garage equipment (account 384)
Electric service
Feed and bedding for horses
Fuel and lubricants for vehicles, including sales taxes thereon
Injuries to persons and damages to property of others in the operation of transportation equipment, including cost of insurance protection therefor
Insurance
License fees for vehicles and drivers
Operation of garages and stables
Pay of drivers
Rent of vehicles
Repairs to transportation and garage equipment
Shop and laboratory expenses
Tires, tubes, and chains
Note A: Records supporting this account shall show the extent and nature of usage of each transportation unit for which charges are handled through this account.
Note B: Expenses incurred in operating transportation equipment used wholly for one purpose may be charged directly to the account appropriate for such purpose.

805. Building Service
A. This account, when used, shall include the expenses of operating offices and buildings, whether owned or rented from others. (See also § 197.33.)
B. This account shall be cleared by apportionment to the operating expense and other accounts on the basis of the use made of such property.

ITEMS
(See section 197.14)

Cleaning                          Light
Communication service            Pay and expenses of superintendents
Elevator service                 Power
Fuel                              Refrigeration
Heat                              Towels
Injuries and damages              Water
Janitor service
Note: This account shall be kept so as to show the cost of building service separately for each building operated.

807. Engineering--Clearing
A. This account, when used, shall include the pay and expenses of officers, engineers, their assistants, and others employed in engineering duties, except when chargeable directly to specific work on construction, operation, or repairs. (See also §§ 197.10 and 197.33.)
B. This account shall be cleared by apportionment to the appropriate accounts for construction, repairs, or operation in electric or other departments on the basis of service rendered, determined by the time devoted to particular work.

ITEMS
(See § 197.14)

Books and periodicals Repairs to instruments and office furniture and equipment
Building service
(but not rent) Stationery and printing
Communication service Supplies, engineering
Engineers, assistants, and other employees Tools and instruments of small value and short life
Office supplies
Postage Transportation

808. General Tools and Implements--Clearing
A. This account, when used, shall include the cost of supervision, labor, and expenses applicable to the operation of general construction and repair equipment the book cost of which is included in account 387,
General Tools and Implements. (See also ð 197.33.)

B. This account shall be cleared by apportionment to property, operating expense, or other accounts on the basis of use of such equipment.

ITEMS
(See section 197.14)

Building service (but not rent)
Communication service
Depreciation of general tools and implements (account 387)
Electric service
Fuel and lubricants for equipment, including sales taxes thereon
Injuries to persons and damages to property of others in the operation of general tools and implements, including cost of insurance protection therefor
Insurance
License fees for equipment
Operation of buildings housing general tools and implements
Pay of operators
Rent of general tools and implements
* So in original. "an" should be "and"
Repairs to general tools and implements
Shop expenses

Note A: Records supporting this account shall show the extent and nature of usage of each unit of equipment for which charges are handled through this account.

Note B: Expenses incurred in operating general tools and implements used wholly in work chargeable to one account may be charged directly to such account.

Note C: If this account is not used, repairs to and depreciation of property carried in account 387, General Tools and Implements, shall be included in account 787, Repairs to General Property, and account 788, Depreciation of General Property, respectively.

PART 215 Utility Contract and Procurement Procedures

Sec. 215.1 Utility contract and procurement procedures

(a) Every electric corporation subject to the jurisdiction of this Commission with annual gross operating revenues in excess of $5,000,000 shall file, in accordance with the requirements of ð 3.5 of this Title, with this Commission the procedures which govern the contracting for and
procurement of services, equipment or materials to be used in its utility operations. The statement shall:

(1) Describe the circumstances in which cost estimates will be prepared and the procedures for awarding a contract which exceeds such an estimate. Such estimates, when prepared:

(i) Shall be related to market conditions and trends as well as the utility's own experience; and

(ii) Where competitive bidding is employed, shall remain confidential until after the bids are opened.

(2) Where competitive bidding is employed, specify the procedures used in preparing and maintaining lists of qualified bidders by geographical area, type of material or service provided, and degree of capability, including:

(i) The criteria used for including or excluding bidders;

(ii) A description of the circumstances in which all bidders on such a list will not be solicited in instances where the utility uses competitive bidding; and

(iii) A provision that in the absence of such a list, all requests to be allowed to bid that are not honored, shall be reviewed within the utility.

(3) Where competitive bidding is employed, specify the procedure to be employed to ensure that sealed bids are opened at the time and place specified.

(4) Specify the procedure employed in making awards in the absence of bids or, where competitive bidding is employed, to a person other than the low bidder.

(5) Specify the procedures employed in reviewing contract expenditures, relating such expenditures to any cost estimate, the amount of the award and existing market conditions.

(6) Include a requirement for disclosure to the utility of any ownership or beneficial interest in potential suppliers by employees involved in specifying or procuring services, equipment and materials, which requirement shall provide that no employee in the purchasing department nor anyone with authority to review or approve a purchasing decision shall have such an interest, except in accordance with such rules as the utility may develop and file with this Commission.

215.2 Filing of changes in procedures.

Each such electric, gas and steam corporation shall file with this commission any change in these procedures at least 30 days before they are to be effective, unless otherwise authorized by this commission.
(a) Every public utility company subject to the jurisdiction of this Commission shall file, in accordance with the requirements of § 3.5 of this Title, with this Commission one copy of every proposed cost-plus contract or agreement, including those contracts or agreements in which the payment to be made by the utility is based on time and material consumed regardless of the number of units completed, for the construction, improvement or extension of its plant, works or system exceeding in amount $100,000 in any calendar year, and a list of any other offers received, and such contract or agreement shall not become effective until it has been on file with this Commission for 30 days, or until the Commission has notified the utility that such contract or agreement may be made effective immediately. If during the 30 day period, the Commission determines that it is in the public interest for the contract or agreement for the work proposed to be performed to be let after public bidding, the Commission will notify the public utility company, and the filed contract or agreement will not become effective. In such circumstances the public utility shall proceed to make a public offering of the proposed work in accordance with the direction of the Commission.

(b) When the accumulated amount of all other such contracts or agreements awarded to a single contractor in any calendar year has exceeded $100,000, a list of such contracts, including any other offers received, shall be filed, in accordance with the requirements of § 3.5 of this Title, with the Commission by March 1 of the succeeding year.

216.2 Subcontract on cost-plus basis.
In view of the fact that a so-called subcontract covering any part of the work to be performed under a cost-plus contract or agreement entered into by a public utility company is, in effect, the contract or agreement of the public utility company within the meaning of § 115 of the Public Service Law, every such subcontract on a cost-plus basis, proposed to be let under a principal contract or agreement which is subject to § 216.1 hereof, shall be filed, in accordance with the requirements of § 3.5 of this Title, with the Commission in accordance with the requirements of provisions of such section. All such contracts or agreements shall contain suitable provisions to give effect to the provisions of this Part. This section shall not apply to a subcontract which provides by its terms that the maximum payment thereunder shall not exceed the sum of $5,000.

216.3 Emergency contract.
In case a storm, flood, accident or similar emergency requires that a contract or agreement be made without complying with the foregoing provisions of this Part in order to maintain or restore the company's service, immediate notice shall be given to the Commission by telephone of the making of such contract or agreement, and a copy thereof shall be filed, in accordance with the requirements of § 3.5 of this Title, as soon as possible, but not later than 10 days after the making thereof, and such contract or agreement shall be exempted from the other provisions of this Part.

216.4 Quarterly filing of contract.
Every public utility company subject to the jurisdiction of this commission shall file with this commission quarterly, one copy of every
contract or agreement for the construction, improvement, extension or maintenance of its plant, works or system exceeding in amount $1,000,000 in any calendar year, and a list of any other offers received.

216.5 Waiver of rule.

Any public utility company may apply to this commission for a waiver or modification of all or part of the requirements of this Part upon a showing that compliance therewith would be impracticable or unduly burdensome in connection with a particular project, contract or agreement.

PART 217
NUMBERING POLES OR STRUCTURES FOR CARRYING OVERHEAD WIRES
(Statutory authority: Public Service Law, § 115)

Sec.
217.1 (First District) Marking or numbering poles or structures for carrying overhead wires
217.2 (Second District) Stenciling and numbering poles and structures for carrying overhead wire

Section 217.1 ((First district) Marking or numbering poles or structures for carrying overhead wires.) (a) Prior to January 1, 1915 each and every electrical corporation, railroad corporation and street railroad corporation within the First District owning or using poles, pillars or other structures for carrying overhead wires or for the support of overhead tracks shall mark the same with the initial of its name, or other distinguishing mark of ownership, and also with a number, such numbers to be consecutive along each street, avenue, highway or private right of way.

(b) In case two or more of said corporations jointly own such a structure, such distinguishing mark of ownership of each corporation shall be placed thereon.

(c) This section shall apply to all said structures as are now or may be hereafter erected and also to all changes in the ownership thereof.

(d) Said marks and numbers shall be of such size and so spaced as to be easily read from the ground at a distance of six feet; and that on or before July 1, 1914 said corporations shall file with the commission a sketch or drawing showing both the design and size of said marks and numbers.

(e)(1) This section shall not apply to poles, pillars or other structures in railroad stations.

(2) Poles, pillars or other structures supporting or forming a part of elevated or subsurface railroads need not be marked to designate ownership.

(3) If any of said poles, pillars or other structures are now marked with stenciled numbers they need not be marked as to ownership until such numbers require repainting.

(4) Where there is a double line of said poles, pillars or other structures owned or used by the same corporation in any street, avenue, highway or private right of way, only one pole, pillar or other structure supporting the same cross girder or span need be marked and numbered.

(5) If for any reason it shall be found impracticable for any of said corporations to number its poles, pillars or other structures
consecutively on any street, avenue, highway or private right of way, such corporation shall not be required so to do, provided, however, that if there are or will be any duplicate numbers on any such street, avenue, highway or private right of way such corporation shall file a plan or schedule showing how such poles, pillars or other structures are now or will be numbered.

Note: The above section 217.1 was originally promulgated as Case No. 1789 (First District).

217.2 (Second District) Stenciling and numbering poles and structures for carrying overhead wire.

(a) Each and every electrical corporation, municipality, telephone corporation, telegraph corporation, railroad corporation, and street railroad corporation owning poles, towers, or frames, hereinafter termed structures, in streets, highways, or public places, or on private rights of way, for supporting and carrying overhead electric wire system for the transmission or distribution of electric energy for light, heat, or power, or for the operation of electric cars or trains, or for telephoning or telegraphing, or for supporting electric lamps or fixtures, shall on or before January 1, 1913, stencil each such structure, except as hereinafter provided, as follows: to wit,

(1) with the initials of its name, abbreviation of its name, corporate symbol, or other distinguishing mark by which the owner of each such structure readily and definitely may be determined;

(2) with a number by which the location of each such structure may be described.

(b) The manner of making such stencils shall be preferably with paint, otherwise with metal tags, badges, or stamps as each such corporation may elect to use; and that the characters of the stencil shall be of such size and so spaced and hereafter maintained as to be easily read from the surface of the ground at a distance of six feet from the structure.

(c) In the case of two or more companies jointly owning any such structure, the distinguishing mark of each company shall be placed on such structure but not more than one number necessarily shall be placed thereon.

(d) In the case of such structures carrying or supporting overhead trolley wires where there is a double line of structures, one on each side of the railroad track, such stencil need be affixed to but one line of such structures.

(e) In the case of such structures erected upon private rights of way or on the public highways, of such character that the construction may be deemed to be a through or trunk line, such stencil need be affixed only to every fifth structure; provided however that each and every such structure situate within the limits of any city, village, or hamlet shall be stenciled, except as otherwise provided in subdivision (d) herein. Where every fifth structure is stenciled, the commission suggests that that number of the mile from the starting point of the construction be placed on the structure stenciled, and also the number of every fifth structure within that mile. And the commission further suggests that all such structures situate within the limits of every city, village, and hamlet shall be numbered consecutively along each street, avenue, or highway for the distance upon which structures are located.
(f) The requirements herein shall apply to all existing and future constructed structures and to all changes in the ownership of structures.

(g) Every such corporation shall file with this commission on or before May 1, 1912, a statement showing-

1) The initials, abbreviation of name, corporate symbol, or other distinguishing mark intended to be used;

2) The means of stenciling to be employed: to wit, paint, metal tags, badges, or stamps;

3) The method intended to be followed in numbering structures: to wit, within the limits of cities, villages, and hamlets; and upon through or trunk lines.

Note: The above section 217.2 was originally promulgated as Case No. 2499 (Second District).

PART 218
LIMITATION OF LIABILITY CLAUSES--ELECTRIC CORPORATIONS
(Statutory authority: Public Service Law, § 66(1))

Sec. 218.1 Prohibition of certain limitation of liability provisions

Section 218.1 Prohibition of certain limitation of liability provisions. Every gas corporation, electric corporation and gas and electric corporation shall, where necessary, amend its filed tariff schedules by eliminating therefrom:

(a) Provision attempting to relieve such corporation from liability arising from the gross negligence or willful misconduct of its officers, agents or servants.

(b) Provisions limiting the liability of the corporation for damages resulting from its own negligence in connection with the property owned, installed or maintained by a customer or leased by a customer from a third party.

(c) Provisions limiting the liability of the company for any damages resulting from the negligence of the company in connection with the supplying or use of electricity or gas or from the presence or operation of the company's structures, equipment, wires, pipes, appliances or devices on the consumer's premises.

APPENDIX A-3
A Model Letter and Form for Documentation of Inability to Pay Utility Bills

We have received an initial certificate of medical emergency, under which we must continue to provide you with utility service for 30 days, starting __________ and continuing until the beginning of business on __________.

At the expiration of that period, we can, under the provisions of law (sec. 32 [3][a], Public Service Law) and Public Service Commission's regulations (16 NYCRR 11.5[a]), terminate your utility service UNLESS the medical condition persists AND you do not have enough ready cash or income to meet your past due and current utility bills and still meet your other necessary expenses such as food, housing and medical treatment.

We enclose a form that you can use to provide the information we need
to make a determination, as required by law, whether you are unable to pay past due and current bills. We will continue to provide you with utility service while we consider the information you provide.

If we determine that you have NOT demonstrated that you are unable to pay past due and current bills, we will notify you in writing and inform you how you can seek review of our determination by the Public Service Commission.

If we determine that you have NOT shown that you have a financial hardship, we will offer you a deferred payment agreement, so that you can pay past due bills and installments while you meet all current bills. And if you DO show a financial hardship, we will try to work out an arrangement so that you will not accumulate substantial past due bills.

If you have any questions, you can call (local utility office/customer representative) at xxx-xxxx. If you are not satisfied with our response, you also can call the Public Service Commission during regular business hours at xxx-xxxx, or, in an emergency, you can call the Public Service Commission until 7:30 p.m., Monday through Friday at 1-800-342-3355.

A. INFORMATION ON LIQUID ASSETS AND CURRENT INCOME

1. Liquid assets, such as cash, bank savings or checking accounts, etc. should be listed:
   - Cash on hand $ __________
   - Bank checking account No. __________ Amt. presently in account $ __________
   - Bank savings account No. __________ Amt. presently in account $ __________
   - Name and address of Banks _________________________

2. Income information:
   - Source of Income: Work Yes _____ No _____ Amt. _____
   - SSI Yes _____ No _____ Amt. _____ per mo.
   - Public Assistance Yes _____ No _____ Amt. _____ per 2 weeks
   - If you are a recipient of Public Assistance, have you requested your local Social Services office to guarantee future payments?
     - Yes__________ No__________

MONTHLY B. EXPENSES

<table>
<thead>
<tr>
<th>PAYMENT</th>
<th>AMT. OWING</th>
</tr>
</thead>
<tbody>
<tr>
<td>Housing:</td>
<td>Rent _____ Own _____</td>
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<tr>
<td>Food:</td>
<td>Food Stamps: Yes_____ No _____</td>
</tr>
<tr>
<td>Medical expenses:</td>
<td>(incl. prescriptions)</td>
</tr>
<tr>
<td>Utility:</td>
<td>(gas and electric)</td>
</tr>
<tr>
<td>Heating:</td>
<td>(if not gas or electric)</td>
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<tr>
<td>Telephone:</td>
<td>Installment payments: (credit card)</td>
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<tr>
<td>Transportation:</td>
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<td>Car expense:</td>
<td>(loan, gas, etc.)</td>
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<tr>
<td>Education:</td>
<td></td>
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<tr>
<td>Other:</td>
<td></td>
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</tbody>
</table>

I, the undersigned, do hereby certify that the above information provided is the truth, to the best of my knowledge.
IMPORTANT NOTICE
TO TENANTS OF
THIS BUILDING

The _______________ (UTILITY) INTENDS TO SHUT OFF THE
(ELECTRICITY/GAS) TO THIS BUILDING TEN DAYS FROM THE DATE OF THIS NOTICE
BECAUSE THE LANDLORD HAS NOT PAID HIS BILL.

IF SERVICE IS SHUT OFF, THIS BUILDING WILL NOT BE HEATED.

IF YOU OR ANOTHER PERSON WHO LIVES HERE IS VERY SICK OR HAS ANOTHER
SERIOUS HEALTH PROBLEM, CALL THE NEW YORK CITY HEATLINE AT
_______________ (TEL. NO.) AND REPORT THE CONDITION. GAS OR ELECTRICITY
WILL NOT BE SHUT OFF DURING THE COLD WEATHER PERIOD (NOVEMBER 1-APRIL
15) IF YOU OR ANOTHER RESIDENT IS VERY ILL OR WILL HAVE A SERIOUS HEALTH
PROBLEM IF THERE IS NO HEAT. A CASE WORKER FROM THE CITY'S HUMAN
RESOURCES ADMINISTRATION WILL VISIT YOU OR THE OTHER PERSON TO VERIFY
THE SERIOUS ILLNESS OR HEALTH PROBLEM. IF YOU HAVE ANY QUESTION
REGARDING THEIR FINDINGS, YOU CAN ASK THE PUBLIC SERVICE COMMISSION FOR
HELP BY CALLING 1-800-342-3377.
Subchapter E Records; Reports
Subchapter F Uniform Systems of Accounts
Subchapter G Miscellaneous

SO DOC 16B-CIIISA

SUBCHAPTER A
SERVICE
PART
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227 Approval of Types of Gas Meters and Accessories
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SO DOC 16B-PT225

PART 225
CONSUMER DEPOSITS--GAS CORPORATIONS
(Statutory authority: Public Service Law, õõ 36(3), 66, 80, 89-c, 97, 117)

Sec.
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225.2 Index of consumers
225.3 Interest
225.4 Application of deposit to unpaid bill
225.5 Special provision for residential customers
225.6 Refunds
225.7 Certificate of deposit
225.8 Refund without certificate of deposit
225.9 Circular containing terms of deposit
225.10 Extension of service when deposit is disputed

SO DOC 16B-225.1

Section 225.1 Records.
Each and every gas corporation and gas and electric corporation holding consumer deposits shall keep such records as will show, with respect to each deposit:
(a) the name of the consumer making the deposit;
(b) the address (including street and number) of each depositor, if known;
(c) the date of receipt of the deposit;
(d) the amount of the deposit;
(e) the interest accrued upon the deposit to be entered biennially or more frequently;
(f) all credits of interest made in reduction of amounts billed for service rendered, and the dates of such credits;
(g) all payments of interest made on each deposit, and the dates of such payments; and
(h) deductions representing sums due and unpaid to the corporation when depositor ceased to be a consumer, and the date thereof, together with such other information as any such corporation may deem necessary to make a complete record of each deposit.

SO DOC 16B-225.2

NYCRR
225.2 Index of consumers.
Each and every gas corporation and gas and electric corporation holding consumer deposits shall keep, in addition to the records prescribed in section 225.1 of this Part, an index or indices, alphabetically or geographically arranged, which shall show at all times the name of each consumer from whom a deposit has been exacted, and whose said deposit or any part thereof remains unpaid, with appropriate reference in such index to the consumer's account.

225.3 Interest.
Each and every gas corporation and gas and electric corporation holding consumer deposits shall allow to each depositor simple interest on the amount deposited. The interest rate to be applied to the amount deposited shall be a composite yield of intermediate term, A-rated corporate bonds, as reported in financial publications, less costs of administering deposits of 1.75 per centum per annum. The rate shall be updated effective January 1st each year, based upon yield information available on the first Friday of October of the preceding year. The Commission will issue an advisory letter which publicizes the information to assure consistency. Each corporation shall credit such interest to each depositor whose deposit shall have been held for one year by paying such interest in cash or deducting it from the amount of a bill for gas service rendered such depositor thereafter, but not later than the next bill rendered after the next succeeding first day of October, and at each one-year interval thereafter.

225.4 Application of deposit to unpaid bill.
Each and every gas corporation and gas and electric corporation holding consumer deposits shall render to each depositor, when and as his deposit is applied to an unpaid bill or bills, a statement showing:
(a) the bill or bills then due and unpaid;
(b) the amount thereof;
(c) the amount of the deposit, together with the interest accrued thereon and the period covered thereby; and
(d) the balance of the bill or bills remaining unpaid or the balance of the deposit and interest thereon remaining to the credit of the depositor.

225.5 Special provision for residential customers.
(a) Definitions. For the purposes of this section, and when used in section 225.6 of this Part, the following definitions shall apply:
(1) Existing residential customer is a customer who receives gas service to a dwelling unit which such customer uses for his residential purposes and where business rates do not apply to the service. An existing residential customer includes an applicant for gas service who has transferred dwelling units within a utility's service territory and for whom there is a recent payment history.
(2) New residential customer is an applicant for gas service to a dwelling unit which such customer uses for his residential purposes and where business rates do not apply to the service, and who does not qualify as an existing residential customer.
(3) Delinquent in payment means, unless a more liberal standard is adopted by the utility, that a residential customer has not paid in full a duly rendered bill, or an agreed-upon partial payment, for gas service
25 days after the "to date" of the bill or within a longer period agreed to by the utility. A residential customer who has not paid in full a bill, or an agreed-upon partial payment, for gas service in circumstances where disconnection for nonpayment is precluded under utility complaint procedures established under section 275.8 of this Title or commission complaint procedures under Part 11 of this Title, shall not be considered delinquent in payment;

(4) Payment shall be considered accomplished on the date when the full amount of the bill or an agreed-upon partial payment is received by the gas corporation or gas and electric corporation or by any of such corporation's agents; provided, however, that if payment is mailed to such corporation or its agents, payment shall be considered accomplished as of the mailing by the consumer.

(b) Credit risk standards. (1) An existing residential customer may not be considered a bad credit risk unless such customer has been delinquent in payment two or more times within a recent 12-month period, or unless such customer's gas service has been discontinued for nonpayment during the preceding 12 months.

(2) A new residential customer may not be considered non-credit-rated unless such customer is unable to provide, to the satisfaction of the utility, affirmative answers to three or more of the six questions contained in Appendix 15-B of this Title. Each gas corporation and gas and electric corporation shall adopt procedures which provide for use of the six questions appearing in Appendix 15-B of this Title. A gas corporation or gas and electric corporation may determine whether to require a deposit from a new residential customer in accordance with the credit risk standards provided in paragraph (1) of this subdivision if sufficient information is available from a New York utility rendering comparable service to determine whether such customer is a bad credit risk as defined in paragraph (1) of this subdivision. If a new residential customer can establish prior satisfactory credit history with a utility rendering gas service at the customer's most recent address, the gas corporation may not obtain a security deposit from such new residential customer.

(c) Residential customer deposits. No gas corporation or gas and electric corporation may require a deposit from a residential customer unless such corporation shall establish that the residential customer is a bad credit risk or non-credit-rated in accordance with the definitions and standards prescribed in this section.

(d) No gas corporation or gas and electric corporation may require a deposit from a residential customer in excess of two times the estimated average monthly bill for a calendar year, except in the case of electric or gas space heating customers where deposits may not exceed two times the estimated average monthly bill for the heating season.

225.6 Refunds.

(a) Each gas corporation and gas and electric corporation holding consumer deposits shall render to each depositor, when and as his deposit is refunded, a statement showing the amount of the deposit, together with the amount of unpaid interest accrued thereon to the date of refund and the period covered thereby; and the amount of deposit and interest refunded. Any refund may be credited to the customer's account only to the extent of the current charges and the charges for the next succeeding month and any balance, or, at the election of such
corporation, the full refund shall be made to the depositor. Each depositor, upon becoming entitled thereto by reason of nondelinquency for one year, upon ceasing to be a consumer or as provided by subdivision (b) of this section, may withdraw his deposit and all interest thereon which has not been refunded or credited against bills for service upon surrendering his deposit certificate (or submitting satisfactory proof of ownership of the deposit or of the right to receive the same) and the payment of all bills for which such deposit is security. The "prudent" period of deposit retention, referred to in Public Service Law section 117, may not exceed two years of nondelinquency in payment of bills rendered.

(b) Each gas corporation and gas and electric corporation shall, before April 1, 1976, review the accounts of all existing residential customers who have made deposits. Thereafter, each corporation shall review, on not less than an annual basis, the accounts of all existing residential customers who have made deposits. If a residential customer is not a bad credit risk, as defined in section 225.5(b)(1) of this Part, the utility shall promptly refund to such customer the amount of the deposit and the interest thereon.

225.7 Certificate of deposit.

Each and every gas corporation and gas and electric corporation holding consumer deposits shall issue to every consumer from whom a deposit may be exacted a certificate of deposit, for which shall be used a good quality of paper and on which certificate there shall be printed, in addition to the receipt for the money deposited, the substance of the following:

THIS RECEIPT IS NOT NEGOTIABLE OR TRANSFERABLE

Interest will be allowed on this deposit so long as it shall remain with the corporation. When this deposit has been held for one year, interest thereon will be paid in cash or credited on a bill for service rendered the depositor thereafter, but not later than the first bill rendered after the next succeeding first day of October, and at the expiration of each succeeding one-year period. Preserve this receipt to be surrendered when deposit is returned.

225.8 Refund without certificate of deposit.

Each and every gas corporation and gas and electric corporation holding consumer deposits shall provide reasonable ways and means, in such manner as such corporation may elect, whereby a depositor who makes application for the return of his deposit and is entitled to the return thereof, but who is unable to produce the original certificate of deposit or receipt, may not be deprived of his rights.

225.9 Circular containing terms of deposit.

Each and every gas corporation and gas and electric corporation holding consumer deposits shall keep on hand for distribution to its consumers printed circulars, over its corporate or business name, which circulars shall be entitled "TERMS AND CONDITIONS UPON WHICH CONSUMERS' DEPOSITS ARE COLLECTED, HELD, AND MAY BE WITHDRAWN", and which shall contain a copy of this Part, a copy of Public Service Law section 117 (as added by L. 1976, ch. 557) and such other pertinent information as the corporation may elect. In lieu of providing a copy of section 117 of the Public Service Law and a copy of this Part, every such
The corporation may provide a circular approved by the commission containing the pertinent features of these requirements. Every such corporation shall furnish a copy of said circular or a summary of the pertinent features of these requirements to the consumer or applicant for service from whom a deposit is demanded when such corporation first informs said consumer that a deposit is required. Every such corporation shall post copies of such circular or summary in prominent places in each business office requested by consumers.

225.10 Extension of service when deposit is disputed.

Each and every gas corporation and gas and electric corporation shall extend service to any new applicant for service who has initiated a complaint on a deposit requested by such corporation and shall continue to supply service during the pendency of such complaint, provided that such applicant keep current on bills for service rendered and pay a reasonable amount as a deposit if the complaint challenges only the amount requested.

PART 226
GAS METERS AND ACCESSORIES -- TESTING AND REPORTING

(Statutory authority: Public Service Law, ðð 66(1), 66(3) and 67(4)

Sec.
226.1 General provisions
226.2 Definitions
226.3 Gas meter and accessory requirements -- general
226.4 Testing facilities -- general
226.5 Test-standards
226.6 Gas meters and accessories -- test flow rates, out-test accuracy standards and test requirements
226.7 Gas meters -- customer installations
226.8 Domestic meters -- in-test programs
226.9 Large volume meters -- in-test programs
226.10 Orifice meters -- general conditions and accuracy maintenance requirements
226.11 Fixed pressure factor measurement installations -- general conditions and installation and accuracy maintenance requirements
226.12 Periodic reports and records

Section 226.1 General provisions.

This Part contains the requirements for testing and maintaining the accuracy of gas meters and related devices used either for customer billing applications or to measure gas that affects a utility revenue stream required to be reported to the Commission.

226.2 Definitions.

The following definitions shall apply wherever the defined terms are used in Parts 226, 227, and 228 of this Title:

(a) Accessory. Any meter reading device, which is mechanically attached to a meter and could affect its accuracy, used to display or transmit meter information to a remote location or any associated meter correction device, either remote or attached, used to adjust the reading of a meter index.
(b) Bell prover. A test-standard using a calibrated cylindrical container or bell in which a quantity of air is collected using oil as a sealing medium. The bell prover is connected to a meter under test and the quantity of air that passes through the meter, as measured by the meter, is compared with the change in the quantity of air within the bell to determine the meter's accuracy.

(c) Certification. The verification of a test-standard's accuracy by this commission, by its designee, or by commission approved procedures, conducted with standards or equipment that trace their accuracy to the National Institute of Standards and Technology.

(d) Correction device. An accessory used to adjust the measured volume to a volume at standard conditions.

(e) Cubic foot bottle. A specially constructed and calibrated bottle that can measure exactly one cubic foot of air. The calibration of the bottle is certified by the National Institute of Standards and Technology.

(f) (1) Cubic foot, metered. The quantity of gas that occupies one cubic foot when under pressure and temperature conditions existing in the meter.

(2) Cubic foot, standard. The quantity of gas that under a pressure of 14.73 pounds per square inch absolute and at a temperature of 60°F occupies a volume of one cubic foot.

(g) Differential test. A comparison of the difference in pressure readings between the inlet and outlet of a rotary meter at a gas flow rate within the meter's rated capacity range, with those supplied by the manufacturer or taken at installation.

(h) Fixed pressure factor measurement. A correction method system, used only in conjunction with pressure regulated installations, that employs a billing multiplier to adjust the measured volume of gas delivered to standard pressure conditions.

(i) Flow rate tests.

(1) Check-rate test. A meter test conducted with a flow rate at the lower end of the meter's rated capacity range.

(2) Open-rate test. A meter test conducted with a flow rate at the higher end of the meter's rated capacity range.

(j) Gas meter. Any device used to measure the units of gas passing through it.

(1) Domestic meter. A gas meter with a rated capacity of 500 CFH or less.

(2) Large volume meter. A gas meter with a rated capacity over 500 CFH.

(k) Meter accuracy. The degree to which a meter correctly measures the units of gas passing through it, determined by comparing the registration on the meter with that registered by a test-standard.

(1) Percent proof. The volume indicated by the test-standard divided by the volume indicated by the meter x 100.

(2) Percent accuracy. The volume indicated by the meter divided by the volume indicated by the test-standard x 100.

(l) Meter class. A designation for different ranges of meter rated capacities.

(m) Meter index. The meter mechanism that displays the quantity of gas that has been delivered through the meter.

(n) Meter tests.

(1) In-test. A test of a meter made soon after its removal from a
customer's premises or at said premises and prior to any disassembly or adjustment.

(2) Out-test. A test of a meter made prior to its use at a customer's premises.

(o) Non-working reference standard. A certified reference meter or other device used to check the accuracy of a test-standard.


(q) Rangeability. The manufacturer's stated ratio of maximum flow rate to minimum flow rate for a given meter.

(r) Rated capacity.

(1) Diaphragm type meters. The rated capacity of a diaphragm type gas meter is the approximate number of cubic feet per hour of 0.60 specific gravity gas (air = 1.00), at standard conditions, that the meter is designed to pass when the average differential pressure between the inlet and outlet of the meter is 0.5 inch of water column.

(2) Other types of meters. The rated capacity of other types of gas meters will be the nameplate capacity specified for that particular type of meter or as otherwise specified in the commission's order approving it.

(s) Sampling. A statistically valid method of obtaining a representative quantity of meters from a homogenous lot or group.

(t) Sonic nozzle prover. A test-standard for testing gas meters using nozzles calibrated to indicate the time required for the passage of one cubic foot of air at their corresponding sonic flow rates. The sonic nozzle prover is connected to the meter under test. The time necessary to pass a given number of cubic feet on the meter is compared with the time indicated on the nozzle.

(u) Supercompressibility. Deviation of a gas from the ideal gas laws.

(v) Standard conditions. The standard base conditions of pressure and temperature to which natural gas volumes are referenced.

(w) Strapping. A method of checking a bell prover by determining the relations between displaced volume and linear movement of a bell prover by means of measuring scale length, bell circumference, and displacement. The calibration of all measuring equipment used to take these measurements must be traceable to the National Institute of Standards and Technology.

(x) Test-standard. Any certified device used for determining the accuracy of a meter or accessory.

(y) Transfer prover. A test-standard for testing gas meters consisting of a master meter, an electronic control panel, pressure and temperature correcting gauges, a blower, flow control valves, and exhaust silencers. The test is conducted by connecting the transfer prover with the meter under test. The quantity of air indicated on the meter under test is compared with the quantity of air measured on the transfer prover.

(z) Utility. Includes all gas corporations as defined in the Public Service Law.

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226.3 Gas meter and accessory requirements -- general.

Gas meters and accessories shall conform to the following:

(a) Approved type. Meters and accessories shall be of types approved by this commission in accordance with Part 227 of this Title.

(b) Meter identification. Each meter purchased after August 19, 1995 shall bear the following information in a permanent form on the meter
before installation:
  Name of utility or logo
  Manufacturer's name or trademark
  Meter serial number
  Type designation/Model Number
  Meter class and/or rated capacity
  Year of manufacture
  Indication if remanufactured
  Maximum allowable operating pressure (MAOP)
  If a gas meter is temperature compensating, a durable red indicator
  shall be visible on the meter stating that the meter is "temperature
  compensating".
  (c) Correction device identification. Each meter correction device
  purchased after August 19, 1995 shall bear the following information in
  a durable form:
    Name of utility or logo (if correction device remotely located from
    meter)
    Manufacturer's name or trademark
    Equipment serial number
    Type Designation/Model Number
    Year of Manufacture
  (d) Labeling. Each gas meter found to conform to this commission's
  requirements shall have affixed to it a label or tag indicating the year
  of its most recent out-test. Each meter which has been repaired shall
  have the type of repair indicated. This repair identification may be
  indicated on the label or with other adequate marking.
  (e) In lieu of the requirements in subdivisions (b) and (d) above,
  indication of remanufacture and type of repair need not be labeled on
  the meter if such is maintained by the utility in readily available
  computerized meter history records.
  (f) Tampering devices. Each gas meter placed in service after August
  19, 1995, to the extent possible, shall have devices or incorporate
  processes to indicate evidence of tampering.
  § 226.4 Testing facilities -- general.
    (a) Minimum facilities. Each utility shall have meter testing
    facilities that are adequately maintained, are provided with suitable
    equipment and kept in proper condition for testing gas meters and
    auxiliary devices, and include at least one bell prover with a capacity
    not under five cubic feet.
    (b) Notification. Each utility shall keep the Department staff
    informed of the location of each test facility where its meters and
    accessories are tested, any change in the facility which may affect the
    accuracy of its testing, and the number, type, and the most recent
    certification date of each test-standard at that location.
    (c) Temperature. Each meter test location shall be maintained to
    minimize temperature fluctuations and assure temperature equilibrium
    between the room air, the testing equipment including the prover(s), the
    sealing medium in each bell prover and the air or other testing medium
    supplied to each bell prover and the meters under test. Any temperature
    variation shall be limited to 1°F or less between the items listed
    above.
    (d) Temperature test conditions for testing temperature compensating
    gas meters:
(1) Ambient temperature. The ambient temperature test condition is the existing temperature that the gas meter is exposed to at the time of a meter test. With utility shop testing, the ambient temperature is the normal proving room temperature.

(2) Average winter temperature. The average winter temperature test is an approved gas meter test condition that represents the average temperature environment that an outdoor gas meter is expected to be exposed to during the winter. This temperature is specified as 20µF for all utilities.

(3) Extreme temperature. The extreme temperature test condition for winter and summer are specified gas meter test conditions of 0µF and 100µF, respectively.

(e) Tests and inspections. All meter testing facilities shall be available for inspection, certification and reasonable use by the department staff.

NYCRR 226.5 Test-standards.

(a) All meter test-standards shall be of types approved by this commission in accordance with Part 227 of this Title or, if not required to be approved in accordance with Part 227, whose accuracy is traceable to the National Institute of Standards and Technology. Certification will be conducted by this commission, by its designee, or by commission approved procedures conducted with standards or equipment that trace their accuracy to the National Institute of Standards and Technology.

(b) Test-standard certification frequency.

(1) Bell provers shall be certified initially and at least once every two years.

(2) Transfer provers shall be certified initially and at least once every two years. This certification requirement may be extended to once every five years provided that an annual comparison test between the transfer prover meter and a non-working reference standard agree to within ± 0.25 percent proof at no less than 16 points between 10 and 120 percent of the rated capacity of the transfer prover.

(3) Sonic nozzle provers shall be certified initially and at least once every two years. This certification requirement may be extended to once every five years provided that an annual comparison test between the sonic nozzle prover and a non-working reference standard agree to within ± 0.25 percent proof of the most recently certified sonic nozzle calibration proof.

(4) A non-working reference standard meter shall be certified initially and at least once every five years. Its accuracy should be established at no less than 16 points between 10 and 120 percent of its rated capacity.

(5) Temperature and pressure test-standards shall be certified initially and at least once every five years.

(6) Auxiliary equipment. Any type of auxiliary equipment connected to a test-standard shall be installed and tested in accordance with manufacturers' instructions or in a manner acceptable to the commission or its designee.

(c) Additional meter test-standard requirements.

(1) The capacity of the meter test-standard shall meet the open rate test requirements of the meter being tested.

(2) Each certified meter test-standard shall be provided with a certificate bearing the serial number, date of certification, correction
factor(s) and test limitations, if any.

(3) Each meter test-standard shall be recertified after being damaged, repaired, adjusted or disassembled where such could in any way affect its previous accuracy calibration. Also, each bell prover shall be recertified if moved.

(4) Only meter test-standards with an error of less than ± 0.25 percent shall be used without applying a correction factor.

(5) Each bell prover shall be adjusted to a static pressure in the order of 1.5 inches of water column above or below atmospheric pressure.

(6) Each transfer prover or sonic nozzle test-standard shall be adjusted to the same pressure and temperature or corrected for any pressure and temperature difference between it and the meter under test.

(7) Each meter test-standard shall be tested for connection-fitting tightness prior to its use.

(8) A nonvolatile sealing medium meeting the applicable specifications of the American National Standards Institute (ANSI) standard set forth in section 227(c) of this Title shall be used in all bell provers.

226.6 Gas meters and accessories - test flow rates, out-test accuracy standards and test requirements. Gas meters and related accessories utilized by a utility shall conform to the following out-test accuracy standards and test requirements at the specified flow rates. Only meters determined to be free of leaks and found upon test to comply with the following, where the test results are expressed to the nearest 0.1 percent proof, shall be labelled as out-tested and placed in service at a customer's premises:

(a) Test flow rates.

(1) The check rate test for diaphragm, rotary and turbine meters is conducted at a flow rate not less than 10 percent nor more than 40 percent of rated capacity.

(2) The open rate test is conducted at a flow rate as follows:

(i) Diaphragm meters - not less than 80 percent nor more than 120 percent of rated capacity.

(ii) Rotary and turbine meters - not less than 60 nor more than 100 percent of the rated capacity.

(b) Out-test accuracy standards.

(1) Non-temperature compensating diaphragm, rotary and turbine gas meters. At the check and open rates, the percent proof shall be not less than 99.0 percent nor more than 101.0 percent. For diaphragm meters the open rate test result shall not differ from the check rate result by more than one percent.

(2) Temperature compensating diaphragm, rotary and turbine gas meters.

(i) Ambient temperature test. At the check and open rates, the percent proof shall be not less than 99.0 percent nor more than 101.0 percent. For diaphragm meters the open rate test result shall not differ from the check rate result by more than one percent.

(ii) Average winter temperature test. At the check and open rates, the percent proof shall be not less than 99.0 percent nor more than 102.0 percent. For diaphragm meters the open rate test result shall not differ from the check rate result by more than one percent.

(3) Orifice meters. The overall cumulative error of the metering system shall be not greater than ±1 percent throughout its operating range.

(4) Meters with correction devices. The percent proof, at test
conditions, shall be not less than 99.0 percent nor more than 101.0 percent.

(c) Out-test requirements.

(i) Non-temperature compensating gas meters.

(ii) Each non-temperature compensating meter shall be out-tested prior to its installation.

(ii) In lieu of the test requirements in subparagraph (i) of this paragraph, new non-temperature compensating meters may be out-tested on an approved sampling basis by the utility if the manufacturer's test equipment has been certified in accordance with section 226.5 of this Part and the manufacturer has certified that each meter has been tested prior to delivery.

(2) Temperature compensating gas meters.

(i) Each temperature compensating meter shall be out-tested at both the ambient and average winter temperature test conditions.

(ii) In lieu of the test requirements in subparagraph (i) of this paragraph, new temperature compensating meters may be out-tested on an approved sampling basis at the ambient and average winter temperature conditions by the utility if the manufacturer's test equipment has been certified in accordance with section 226.5 of this Part and the manufacturer has certified that each meter has been tested prior to delivery.

(iii) In lieu of the test requirements in subparagraph (i) of this paragraph, temperature compensating meters being returned to service after maintenance shall be out-tested at ambient temperature conditions provided that a commission approved sample of such meters is also tested at the average winter temperature conditions.

(3) Correction devices.

(i) Each correction device shall be tested and calibrated prior to installation at various pressures and/or temperature conditions representative of the device's range(s) (including the conditions expected to prevail at the sites where it may be placed in service), or upon installation at the pressure and temperature conditions at the site.

(ii) After being placed in service, the correction device shall be either monitored through a review of meter reading records at least once every six months to determine proper operation or be tested at least once every two years as set forth in subparagraph (i) of this paragraph.
of this section, shall be installed.

(c) A meter with an index reading other than zero may be placed in service, provided that meter and billing records are kept in a manner permitting verification of the readings as of the time of removal from the prior premises and installation at the succeeding premises.

(d) Operating pressure.

(1) Gas meters shall not be used at an operating pressure that exceeds the manufacturer's maximum allowable operating pressure for the meter.

(2) Rebuilt or repaired tinned case meters shall not be used at a pressure greater than 50 percent of the pressure used to test the meter after rebuilding.

226.8 Domestic meters - in-test programs.

(a) Domestic meter in-test program. After installation, all domestic meters shall receive an in-test at least once every seven years, except as otherwise provided in subdivisions (b) and (c) of this section.

In-tests of meters shall be made at ambient temperature conditions at the same open and check test flow rates as used for out-tests specified in subdivision (a) of section 226.6. Where possible, all in-tests shall be performed within 60 working days after removal from customers' premises.

(b) Alternate domestic meter in-test program.

(1) Initial notification. In lieu of the schedule of testing set forth in subdivision (a) of this section, any utility may apply to Department staff for approval to adopt the alternate domestic meter in-test program described in this subdivision. The initial application for approval and any subsequent revisions shall include full formulation of said program complying with paragraphs (2) through (9) of this subdivision.

(2) Categories and test groups. All meters in use shall be segregated into categories based on delivered volume and grouped into test groups based upon performance.

(i) All meters shall be first grouped into Category A. Any utility having more than 100,000 domestic meters in service may further separate those meters servicing minimum bill customers into Category B and those registering 360 CCF or less in the preceding calendar year into Category C. A minimum bill customer shall be any customer whose average monthly consumption registered on the meter during the preceding calendar year did not exceed the minimum consumption indicated in the initial block of the utility's rate schedule for residential customers.

(ii) The meters in each category shall be grouped into test groups as follows:

<table>
<thead>
<tr>
<th>TEST GROUPS</th>
<th>CALCULATED ANNUAL TEST RATE (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>2.00</td>
</tr>
<tr>
<td>1</td>
<td>4.00-4.99</td>
</tr>
<tr>
<td>2</td>
<td>5.00-5.99</td>
</tr>
<tr>
<td>3</td>
<td>6.00-7.99</td>
</tr>
<tr>
<td>4</td>
<td>8.00 and above</td>
</tr>
<tr>
<td>5</td>
<td>Approved Retirement Program</td>
</tr>
</tbody>
</table>

Test group 5 shall be composed of all meters included in an approved retirement program. In the event that a utility has more than one retirement program in progress each program will be clearly identified and reported on separate forms. The total number of meters required for
(iii) Meter types within each test group shall be identifiable by manufacturer and size. In addition, each participating utility shall maintain test data segregated by manufacturer, case, size, and age group to assist in the analysis of meter performance.

(3) Meters in use shall be segregated into age groups in one year increments as follows: "Age Group 1" will include meters last tested within 0 - 12 months, "Age Group 2" will include meters last tested within 13 - 24 months, etc.

(4) Minimum overall test rate. Except as provided in paragraph (6) of this subdivision, the required annual test rate will be used to determine the minimum number of meters to be tested from each test group for each approved utility in an ensuing calendar year and shall be based upon meter performance at the check rate during the preceding calendar year. For example, the performance of meters at each approved utility in calendar year 1993 will determine the test rate for each meter test group and the number of meters required to be tested at the utility in calendar year 1995.

(i) Category A. Each approved utility shall test its domestic meters as follows:

(a) Except as provided for in subparagraph (iv) of this paragraph, the required annual rate of test for each meter type shall not be less than four percent. The annual rate of test shall be determined by using a base of 4.0 percent of such meters in service where 100 percent of the meters are within 2.0 percent of 100 percent proof. For each one percent of the meters found over 2.0 percent slow, the test rate shall increase 0.133 percent. For each one percent of the meters found over 2.0 percent fast, the test rate shall increase 0.267 percent.

(b) The required annual rate of test for a meter type in an ensuing year shall be based on the preceding year's check rate performance of those meters last tested eight or more years prior. For those meter types in Category A where the utility submits data indicating that more than 50 percent of the in-service meters were last tested within the previous eight years, the required annual rate of test for a meter type in the ensuing calendar year shall be based on the performance of meters in all age groups tested in the preceding calendar year.

(c) Where the calculated test rate is between 8 and 14 percent, the test rate shall be determined from Table 1 of Appendix 7-A of this Title, infra.

(d) Where the calculated test rate exceeds 14 percent in Table 1 of Appendix 7-A of this Title, infra, the following test rate shall apply: test rate = 2x+y-36, where x = percentage of meters fast and y = percentage of meters slow.

(ii) Category B. Each approved utility may include meters servicing minimum bill customers separately in Category B and test them as follows:

(a) The minimum number of Category B meters to be tested on an annual basis shall be two percent of the utility's total number of minimum bill meters in service. In addition, on an annual basis, two percent of the total number of such meters in service shall be inspected for physical
integrity and labeled on the customer's premises by qualified personnel. The meters inspected and labeled shall be those in service 10 or more years, the majority to be selected from those longest in service. In lieu of the number required for inspection, an equal number in service 10 or more years may be tested.

(b) The utility shall submit an annual summary report of those meters removed for fault and found to be faulty. Each reason for removal shall be segregated and reported separately, and will include the following: leak, does not pass gas, does not register, and meters found on inspection to be unserviceable.

(iii) Category C. With the exclusion of those meters qualifying for the option provided in Category B, each approved utility may include meters registering 360 CCF or less in the preceding calendar year separately in Category C and test them as follows:

(a) Except as provided for in subparagraph (iv) of this paragraph, the annual rate of test for each meter type in an ensuing year shall be determined by using a base of 3.5 percent of the qualifying meters in service where 100 percent of the meters in the preceding year are within \(+\) 2.0 percent of 100 percent proof. For each one percent of the meters found over 2.0 percent slow, the test rate shall increase 0.067 percent. For each one percent of the meters found over 2.0 percent fast, the test rate shall increase 0.133 percent.

(b) If the calculated annual test rate is between 5.5 and 8.5 percent, the test rate shall be determined from Table 2 of Appendix 7-A of this Title, infra.

(c) Where the calculated annual test rate exceeds 8.5 percent in Table 2 of Appendix 7-A of this Title, infra, the following test rate shall apply: test rate = 2x+y-41.5, where x = percentage of meters fast and y = percentage of meters slow.

(iv) For meter types where 98 percent upon in-test are found to be within \(\pm\) 1.5 percent of 100 percent proof in a preceding year, the test rate for the ensuing year shall be 2.0 percent of those type meters in service.

(5) The meters tested shall be from all age groups, the majority to be selected from those longest in service.

(6) The required meter tests for Categories A and B shall include a minimum of one percent or 100 meters, whichever is less, for each age group in service. In addition, a sufficient number of meters shall be selected from the oldest age groups to comply with paragraph (4) of this subdivision.

(7) Meters removed from service for reasons other than the requirements set forth in paragraphs (4) and (6) of this subdivision may be included for compliance therewith, provided that:

(i) The number of meters removed for fault or found faulty that may be credited against the test requirements for any meter type shall not exceed the number of the meters tested and found to be in sound condition; and

(ii) Meters that are removed and found to be inoperative or leaking shall be reported as such.

(8) Upon submission of a program satisfactory to the department staff, as described in subdivision (c) of this section, any utility may retire, or accelerate the repair of, any group of meters identifiable by make, type, or any other factor which affects performance. The number of meters that are removed in excess of the number that is required may be
credited to those meters with a history of superior test rates. The number credited to each test group shall be limited to quantities which will assure a 2-percent sample of the superior performing meters.

(9) Any utility that does not meet its annual test requirements, in any test group, shall schedule such deficits in the following year's test requirements. Where a utility has exceeded its test requirements in any test group, such meters may be credited toward any deficits in the current year requirements, providing that the credits are applied to those meters with a history of superior test rates. A maximum of 2 percent or 200 meters, whichever is less, in any test group, may be credited towards the following year's test requirements.

(c) Retirement program. If a utility files with the department staff a satisfactory retirement program for any group of meters identifiable by make, type or any other factor which affects performance, the annual testing requirements of said type meter may be made as follows for the program's duration as set forth in the filing:

<table>
<thead>
<tr>
<th>PERIOD OF RETIREMENT</th>
<th>MINIMUM PERCENT OF RETIRED METERS TO BE TESTED PER YEAR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not more than 15</td>
<td>20.0</td>
</tr>
<tr>
<td>Not more than 10</td>
<td>15.0</td>
</tr>
<tr>
<td>Not more than 5</td>
<td>10.0</td>
</tr>
<tr>
<td>Not more than 2</td>
<td>0.0</td>
</tr>
</tbody>
</table>

SO DOC 16B-226.9

226.9 Large volume meters - in-test programs.

(a) Large volume meter in-test program. After installation, all large volume meters shall receive an in-test at least once every seven years, except as otherwise provided in subdivisions (b) and (c) of this section. In-tests of meters shall be made at ambient temperature conditions at the same open and check test flow rates as used for out-tests specified in section 226.6 (a) of this Part. Where possible, each in-test shall be performed within 60 working days after removal from a customer's premises.

(b) Alternate large volume meter in-test program.

(1) Initial notification. In lieu of the schedule of testing set forth in subdivision (a) of this section, any utility may apply to department staff for approval to adopt the alternate large volume meter in-test program described in this subdivision. The initial application for approval and any subsequent revisions shall include full formulation of said program complying with paragraphs (2) through (8) of this subdivision.

(2) Test groups. Test groups shall be formed in accordance with sections 226.8(b)(2)(ii), (iii) and (3) of this Part.

(3) Each approved utility shall test its large volume meters as follows:

(i) Except as provided in paragraph (5) of this subdivision, the required annual test rate will be used to determine the minimum number of meters to be tested from each test group for each approved utility in an ensuing calendar year and shall be based on meter performance at the check rate during the three preceding calendar years. For example, the performance of meters in the calendar years 1991-1993 shall determine the test rate for the meters in the calendar year 1995. The required annual test rate for each meter type shall be 4 percent of such meters in service where 100 percent of the meters are within +2.0 percent of 100 percent proof. For each 1 percent of the meters found over 2.0
percent slow, the test rate shall increase 0.133 percent. For each 1 percent of the meters found over 2.0 percent fast, the test rate shall increase 0.267 percent.

(ii) Where the calculated test rate is between 8 and 14 percent, the test rate shall be determined from Table 1 of Appendix 7-A of this Title, infra.

(iii) Where the calculated test rate exceeds 14 percent in Table 1 of Appendix 7-A of this Title, infra, the following test rate shall apply: test rate = 2x+y-36, where x = percentage of meters fast and y = percentage of meters slow.

(4) The meters tested shall be from all age groups, the majority to be selected from those longest in service since last test.

(5) Meters tested for reasons other than the requirements set forth in paragraphs (3) and (4) of this subdivision may be included for compliance therewith, provided that:

(i) The number of meters removed for fault, or found faulty, that may be credited against the test requirements for any meter type shall not exceed the number of meters tested and found to be in sound conditions; and

(ii) Meters found to be inoperative or leaking shall be reported as such.

(6) No annual rate of test shall decrease from the required annual rate of the preceding year by a factor greater than 3 percent per year during each of the first 2 years of participation in the alternate large volume accuracy maintenance in-test program.

(7) Upon submission of a program satisfactory to the department staff, as described in subdivision (c) of this section, any utility may retire or accelerate the repair of any group of meters identifiable by make, type or any other factor which affects performance. The number of meters that are removed in excess of the number that is required may be credited to those meters with a history of superior test rates. The number credited to each test group shall be limited to quantities which will assure a 2 percent sample of the superior test rate meters. Meters to be retired shall be in-tested at the rate specified in subdivision (c) of this section. In-test results for retirement and accelerated repair programs shall be reported separately.

(8) Any utility that does not meet its annual test requirements, in any test group, shall schedule such deficits in the following year's test requirements. Where a utility has exceeded its test requirements in any test group, such meters may be credited toward any deficits in current year requirements, providing that the credits are applied to meters with a history of superior performance. A maximum of 2 percent or 200 meters, whichever is less, in any test group may be credited toward the following year's test requirements, provided that they are credited to those meters having superior test rates.

(9) Rotary meter differential testing. In lieu of paragraph (5) of this subdivision, a utility may elect to differential test rotary type meters as an indicator of meter condition. An increase of 50% in the pressure differential reading between the inlet and outlet of the meter from readings supplied by the manufacturer or readings taken at the time of the meter's installation will require maintenance to the meter to bring it back into specification or the performance of an in-test. Differential tests shall be done at least once every 10 years or at one half the meter's scheduled in-test interval, whichever is greater.
(c) Retirement program. If a utility files with the department staff a satisfactory retirement program for any group of meters identifiable by make, type or any factor which affects performance, the annual testing requirements of said type meter may be made as follows for the program's duration set forth in the filing:

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<tr>
<td>Not more than 2</td>
<td>0.0</td>
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</tbody>
</table>

. SO DOC 16B-226.10  NYCRR

226.10 Orifice meters - general conditions and accuracy maintenance requirements.


(b) Test and inspection programs.

(1) The differential, static pressure and temperature recording gauges, integrating mechanism, and other pertinent components shall be tested annually.

(2) Periodic inspections of meter tubes and orifice plates, no less frequent than annually, shall be scheduled to insure compliance with original installation specifications.

. SO DOC 16B-226.11  NYCRR

226.11 Fixed pressure factor measurement installations - general conditions and installation and accuracy maintenance requirements. For customers receiving gas at pressures higher than the normal delivery pressure, the utility may apply to department staff for approval to utilize the fixed pressure factor measurement method of determining corrected actual gas usage. The fixed pressure factor measurement method, where a constant elevated pressure is supplied to a meter, is a means of correcting volume indicated on the meter index to base pressure conditions as specified in the utility's tariff schedule.

(a) Fixed pressure factor measurement methodology. Where fixed pressure factor measurement is used, the amount of gas consumption shall be multiplied either mechanically or by a calculated factor derived from the following formula:

\[
\text{Billing Multiplier} = \frac{\text{PB} + \text{PM}}{\text{PB}}
\]

Where \( \text{PB} \) is the average barometric pressure for the utility's service area(s), measured in PSI. \( \text{PM} \) is the delivery or metering pressure measured in PSIG and \( \text{PB} \) is the base condition pressure defined in the utility's tariff schedule.

(b) Correction for average barometric pressure. Where the average barometric pressure varies by more than 0.10 PSIA within the utility's franchise territory, the average barometric pressure for that geographic location shall be calculated based on that location's elevation above
sea level.

(c) Fixed pressure measurement installation requirements. At each installation where fixed pressure factor measurement is utilized, the following installation requirements must be met:

1. The outlet set pressure to the customer’s meter will be maintained under operating conditions to within ± 1.0 percent of the absolute set pressure.

2. Each pressure regulator shall be protected in a manner that would clearly indicate any unauthorized tampering with the outlet pressure adjustment screw.

3. All fixed pressure factor measurement installations shall be clearly identified with the pressure regulation outlet set pressure and the billing multiplier.

(d) Fixed pressure factor accuracy maintenance requirements. The utility shall, at each fixed pressure factor measurement installation, verify the pressure regulation outlet set pressure initially and at periodic intervals, no less frequent than annually, thereafter. No fixed pressure factor measurement installation shall be installed or left in service where the resulting overall measurement proof is less than 99.0 percent nor more than 101.0 percent.

(e) Fixed pressure factor measurement records. The utility shall maintain records of all active fixed pressure factor measurement installations and the results of any maintenance performed at each installation.

NYCRR 226.12 Periodic reports and records. (a) Periodic reports.

1. In-tests made pursuant to sections 226.8 and 226.9 of this Part shall be reported quarterly. Each such report shall be filed with this commission not later than 30 days following the end of the respective reporting period on sheets similar to Form B for domestic meters and Form E for large meters of Appendix 7-A of this Title, infra.

2. The annual summary report of domestic and large gas meters in-tested during the preceding year or years shall be filed with the commission not later than 60 days following the end of the respective reporting period on sheets similar to Forms C, D, and F of Appendix 7-A of this Title, infra. The reports are to be submitted identifying manufacturer, case, and size and any other factor which affects performance.

3. Each utility shall keep a record of inspections, repairs and tests made to all correction devices. Such records will be made available to the commission or its designee upon request.

4. Where a utility elects to transmit the above required data through electronic or computer discs, it must first obtain approval from the department staff that the system will be compatible with data processing equipment available to staff.

(b) Records. Each utility shall maintain records as stipulated in Part 292 and Appendix 4-A, infra of this Title.
227.1 Definitions
227.2 Selection of devices for approval
227.3 Application for approval
227.4 Modification of approved devices

Section 227.1 Definitions.
Unless the specific context otherwise requires, as used in this Part:
(a) The term meter means any meter or meter testing device used for the determination of the units of gas furnished.
(b) The term accessory means any remote meter reading device or any associated metering device, either remote or attached, used to display, transmit or adjust the reading of a meter index.
(c) The term acceptable devices means those types of meters or accessories, eligible to be submitted for approval, that shall be capable of conforming to requirements intended to determine their reliability and acceptable accuracy insofar as they can be demonstrated by tests; displacement meters shall meet or exceed the requirements specified in the appropriate American National Standards Institute (ANSI) B109.1-1986-Diaphragm Type Gas Displacement Meters (500 cubic feet per hour capacity and under), ANSI B109.2-1986 Diaphragm Type Gas Displacement Meters (over 500 cubic feet per hour capacity) or ANSI B109.3-1986-Rotary Type Gas Displacement Meters. Those standards are available as described in section 10.3(g) of this Title.
(d) The term approved devices means those types of meters or accessories which have been approved by the commission for use in customer billing and in connection with measuring gas that affects a utility revenue stream required to be reported to the commission.

Section 227.2 Selection of devices for approval.
One or more units of equipment covered by the application, as determined by staff, shall be made available for testing and may be retained for such purpose by the commission. Such units shall be intended for actual use and not include experimental models.

Section 227.3 Application for approval.
(a) An application for approval shall be filed by the first utility intending to use the meter or accessory in New York with the Secretary to the Commission, in accordance with the requirements of ð 3.5 of this Title.
(b) An application for approval shall contain:
(1) name and address of applicant;
(2) name and address of manufacturer;
(3) manufacturer's type designation;
(4) complete technical description covering construction details, materials and principles of operation;
(5) test data observed and/or prepared by the applicant;
(6) test data certified by the manufacturer;
(7) photographs (8 X 10 inches, exploded view) and/or manufacturer's drawings;
(8) the general customer category or specific application for which the utility intends to use the meter or accessory; and
(9) the approximate cost per unit.

Section 227.4 Modification of approved devices.
(a) Permission to use an approved device is effective only for those types which are of the same design and construction as the type approved. If the manufacturer of an approved device changes its materials, construction, or design in a manner that may affect its operation, accuracy or safety, the sponsoring utility or the utility intending to use the modified device shall notify the commission staff, specifying the changes.

(b) The commission will evaluate the effects of the modification and determine whether the device remains acceptable, and if so, whether the existing approval is adequate or should be amended, and will so notify the utility.

Sec. 228.1 Restriction against removing meter
228.2 Requirements for referee test
228.3 Referee test result
228.4 Adjustment of bills for fast meters

(a) Restriction against removing meter.
If a customer shall have made a complaint involving the accuracy of a meter to the utility, said meter shall not be removed unless:
(a) the meter shall have failed to provide safe and adequate service;
(b) said customer shall have made request to the utility for a complaint test; or
(c) a warrant of this commission, directing that said meter be removed for a referee test, shall have been received by said utility.

(b) Requirements for referee test.
Whenever any utility receives notice from this commission that a customer has requested a referee test of his or her gas meter, the utility shall replace the meter within 10 days unless it is of a type usually tested in the field. In the latter case, the utility shall provide appropriate personnel and equipment to assist in the field-testing of the accuracy of the meter by this Commission. If a meter cannot be made available for a referee test within the time specified, written notice shall be sent to this Commission giving the causes for the delay.

(c) Referee test result.
(a)(1) The result of a referee test shall be the average of three tests at the check rate where the test results are expressed to the nearest 0.1 percent.

(2) A meter shall be deemed accurate if the average of the three referee tests is within ±2.0 percent of 100 percent proof. The proof of a meter is the percent registration found when the meter is tested. A proof of 100 percent indicates the meter is accurate. A proof of less than 100 percent indicates the meter is fast (+) and registers more volume than actually passed through the meter. A proof of more than 100 percent indicates the meter is slow (-) and registers less volume than actually passed through the meter.
228.4 Adjustment of bills for fast meters.

If, upon conducting a referee test, a gas meter is found to be registering more than two percent fast (98.0% proof), the customer's bills shall be adjusted for that amount that deviates from 100 percent proof for one half of the quantity registered since the last test of the meter for a period not to exceed six years. Where the same meter has served more than one customer since last test, the original test date shall still apply; however, the current customer's bills shall not be adjusted beyond his or her turn-on date. However, if a customer can provide copies of his or her bills beyond the six-year period, the bills will be used up to the time of last meter test. If it can be established that the error is due to an accident or other cause, the approximate date of which can be determined, the bill shall be adjusted back to such date, or a maximum of six years. If, however, the consumer has suffered no damage from said error by virtue of the fact that the meter has registered a quantity of gas less than that allowed for the minimum rate of the applicable rate schedule, no adjustment will be made. No refund will be made if the meter error was caused by the customer's action.

NYCRR

PART 229
GAS STANDARDS

(Statutory authority: Public Service Law, ð 66 (1))

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HEATING VALUE
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229.2 Average heating value
229.3 Equipment and testing procedures
229.4 Required tests
229.5 Records

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229.10 Hydrogen sulfide
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RECORDS AND REPORTS
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PUBLICATIONS
229.70 Revision of other publications referred to herein
229.1 Definitions.

(a) The term heating value per cubic foot shall be defined as being identical to that of total calorific value provided by the current relevant code of the American Society for Testing and Materials. It may be expressed on a wet or dry basis and so labeled. The factor for converting heating value per cubic foot on the wet basis to the dry basis at 60 degrees Fahrenheit, and the same pressure base conditions, is 1.0177. Except where noted, the wet basis of measurement is inferred in the remainder of this Part.

(b) One therm is equal to 100,000 British thermal units.

(c) Therm billing is defined as a method of billing consumers, for the actual amount of energy used, in units of therms.

229.2 Average heating value. (a) Average heating value for all gas distributed in each municipality or part thereof on a volumetric basis shall have a continuous:

(1) monthly average heating value of not less than 1,000 British thermal units per cubic foot or that amount specified by the company in its tariff schedule;

(2) three-day average heating value of not less than 980 British thermal units per cubic foot or 98 percent of that amount specified by the company in its tariff schedule.

(b) Where therm billing is employed, subdivision (a) of this section does not apply.

229.3 Equipment and testing procedures. Each company shall provide each of its testing stations required by subdivisions (a) through (d) of section 229.50 of this Part with equipment fully complying and standardized, maintained, adjusted and calibrated in full compliance with procedures acceptable to this commission.

229.4 Required tests. (a) Unless tests are made as provided for under subdivision (c) of this section, each company shall install a recording calorimeter at each of its testing stations required by subdivisions (a) through (d) of section 229.50 of this Part, the installation of said recording calorimeter to be subject to acceptance by this commission. Each recording calorimeter shall be maintained and operated by each company in such a manner as to continuously record the heating value of all distributed gas. Each recording calorimeter shall be calibrated weekly with a certified standard gas with a heating value that was determined by comparison with that of a standard methane, accurate to within 1.0 British thermal unit per cubic foot, certified by the National Bureau of Standards.

(b) The results of the calibration shall be recorded. Each said recording calorimeter shall be adjusted if it is determined to be in error.

(c) Other methods of determining heating value of distributed gas may be used providing they have been approved by this commission before they are used.

229.5 Records. (a) Each company shall compute and record both daily and monthly the average heating value of the distributed gas tested at each of its testing stations as required by subdivisions (a) through (d)
of section 229.50 of this Part and as determined by the tests required by section 229.4 of this Part. For every testing station where a recording calorimeter is maintained and operated, a continuous record of the heating value of the distributed gas, as determined by the recording calorimeter, shall be maintained and the corrected averaged heating value of the distributed gas shall be computed and recorded both daily and monthly from the continuous record, except that for each day that the corrected maximum heating value exceeds the corrected minimum heating value by two or more percent of the latter, the corrected average, minimum and maximum heating value of the distributed gas shall be computed and recorded from the continuous record. A copy of each heating value record shall be maintained at its originating testing stations.

(b) Where therm billing is employed, all records of calibration and tests made to determine the accuracy of the therm billing factor shall be maintained by the company.

.20 DOC 16B-229.10 NYCRR
229.10 Hydrogen sulfide.

(a) Allowable concentration. The gas distributed by each company shall contain no quantity of hydrogen sulfide greater than that permitted by subdivision (b) of this section.

(b) Equipment and testing procedure. (1) Each company shall provide each of its testing stations required by section 229.50 of this Part with equipment for the qualitative determination of the hydrogen sulfide content of gas fully complying with the provisions of this Part. In each instance of evidence of or doubt or difference of opinion regarding the presence of hydrogen sulfide in the distributed gas, or where directed by this commission, the company shall provide said testing stations with equipment for the quantitative determination of the hydrogen sulfide content of gas fully complying and maintained in full compliance with the provisions of paragraphs 65 through 87 of the relevant effective code of the American Petroleum Institute, the presently effective code being entitled "Recommended Practice for Measuring, Sampling, and Testing Natural Gas (RP 50A, Third Edition)" (the presently effective code hereinafter referred to as APIRP 50 A).

(2) Each company shall make all of the determinations of the hydrogen sulfide content of the distributed gas required by subdivision (c) of this section in full compliance with the following procedure and record the results thereof:
A strip of white filter paper moistened with a fresh solution containing five percent by weight of lead acetate shall be exposed to the distributed gas for one minute in a previously purged apparatus, fully complying and maintained in full compliance with the form recommended therefor by the second edition of Circular 48 of the National Bureau of Standards entitled "Standard Methods of Gas Testing" (hereinafter referred to as NBS C 48), through which the gas flows at a rate of approximately five cubic feet per hour. The gas shall not directly impinge upon the test strip during the test. At the end of the stated time, the test strip thus exposed shall be compared with a second test strip similarly prepared but not exposed to the gas. If the exposed strip is ascertained to be not noticeably darker than the comparison strip, the gas shall be considered to be free of hydrogen sulfide. If the exposed strip is ascertained to be noticeably darker than the comparison strip or if there is any doubt or difference of opinion
regarding the color of the exposed strip, the gas shall be quantitatively tested for hydrogen sulfide in full compliance with the provisions of APIRP 50 A.

(c) Required tests. Each company shall make and record the results of one daily test of the hydrogen sulfide content of the distributed gas on each of not less than five days per calendar week at each of its testing stations required by subdivisions (a) through (d) of section 229.50 of this Part, except that, where there is evidence of the presence of hydrogen sulfide in said gas, three such tests shall be made daily at intervals of not less than three hours until said tests indicate the continued absence of hydrogen sulfide in the gas for a period of at least one week. At a testing station testing distributed gas obtained from a company's standby source, said company need not make a test of the hydrogen sulfide content of said gas during any day that the gas is obtained from said standby source for a total of less than one hour.

229.11 Total sulfur. (a) Allowable concentration. The gas distributed by each company shall contain not more than 30 grains of total sulfur per 100 cubic feet of gas volume measured at a temperature of 60 degrees Fahrenheit and an absolute pressure of 30 inches of mercury column.

(b) Equipment, testing procedure and required tests. (1) In each instance of evidence of or doubt or difference of opinion regarding the presence of total sulfur in the distributed gas, or where directed by this commission, each company shall:

(i) provide its testing stations required by subdivisions (a) through (d) of section 229.50 of this Part with equipment for the quantitative determination of the total sulfur content of gas fully complying and maintained in full compliance with any one of the forms* recommended therefor by NBS C 48, or with the provisions of the relevant effective code of the American Society for Testing and Materials, the presently effective code being entitled "Standard Method of Test for Total Sulfur in Fuel Gases (D 1072-56)", and including a calibrated integrating dry displacement meter whose index may be read to 0.001 cubic foot;

* So in original. "foms" should be "forms"

(ii) make all of the quantitative determinations of the total sulfur content of the distributed gas that may be required by this commission likewise in full compliance with either code; and

(iii) quantitatively determine and record the total sulfur content of the distributed gas at its testing stations required by subdivisions (a) through (d) of section 229.50 of this Part as directed by this commission.

(2) Where said company is periodically supplied with reports regarding the total sulfur content of said gas, the information in said reports shall be filed with this commission at the time of the filing of the monthly reports required by section 229.61 of this Part. Said reports shall also include suitable identifying data, such as the source of each gas sample tested, the date that it was taken, the date, method and location of test, etc., and sufficient information to demonstrate that each sample is representative of the gas delivered to the company.

229.12 Ammonia. (a) Allowable concentration. The gas distributed by each company shall contain not more than five grains of ammonia per 100 cubic feet of gas volume measured at a temperature of 60 degrees Fahrenheit and an absolute pressure of 30 inches of mercury column.
(b) Equipment, testing procedure and required tests. In each instance of evidence of or doubt or difference of opinion regarding the presence of ammonia in the distributed gas, each company may be required to make suitable tests therefor with suitable equipment and a suitable testing procedure at its testing stations required by subdivisions (a) through (d) of section 229.50 of this Part as directed by this commission.

229.20 Equipment and testing procedure.

Within 30 days of the effective date hereof, each company distributing natural gas shall advise this commission, by a letter signed by a responsible official of the company, of the manner in which the specific gravity of said gas is determined at or before each respective source of the gas. Each company's statement shall include the locations where said determinations are made, the name of the transmission corporation or company making said determinations at each location, information indicating that the samples tested in said determinations at each location are representative of the gas distributed by the company, the types of specific gravity equipment used in said determinations at each location and a summary of the procedure employed at each location for making said determinations and verifying their accuracy.

(a) Determination for metering purposes. (1) Where a company distributes natural gas that has had its specific gravity determined by the relevant transmission corporation in a manner adequate for orifice and other types of velocity metering at a testing station fully complying with the provisions of subdivision (b) of section 229.50, and section 229.51, with its total chemical composition unchanged from the location of specific gravity determination to the location of consumption, specific gravity equipment need not be installed in its testing station testing said gas provided that said company is periodically supplied with reports regarding the specific gravity of the gas. Said reports shall also include suitable identifying data such as the source of each gas sample tested, the date that it was taken, the date, method and location of test, etc. and sufficient information to demonstrate that each sample is representative of the gas delivered to the company, that its specific gravity has been determined in a manner adequate for orifice and other types of velocity metering and that the equipment used to determine the specific gravity of the gas is periodically adjusted and calibrated in accordance with the provisions of subdivision (a) of section 229.21.

(2) Where a company distributes gas that has not had its specific gravity determined in a manner adequate for orifice and other types of velocity metering at a testing station fully complying with the provisions of subdivision (b) of section 229.50, and section 229.51 or that does not have its total chemical composition unchanged from the location of specific gravity determination to the location of consumption, part of which is distributed to a consumer with an orifice or other type of velocity meter, said company shall

(i) provide each of its testing stations testing said gas required herein by subdivisions (a) through (d) of section 229.50 with a recording gravitometer fully complying and standardized, maintained, adjusted and calibrated in full compliance with the provisions therefor of the relevant effective code of the American Society for Testing Materials, the presently effective code being entitled "Standard Methods of Test for Specific Gravity of Gaseous Fuels (D 1070-52)"
presently effective code hereinafter referred to as ASTM D 1070), and the recommendations therefor of pages 76 through 95 of Miscellaneous Publication M 177 of the National Bureau of Standards entitled "Tests of Instruments for the Determination, Indication, or Recording of the Specific Gravities of Gases" (hereinafter referred to as NBS M 177) and

(ii) operate said recording gravitometer likewise in full compliance with said codes.

(b) Automatic and manual determination. In each instance not described herein by subdivision (a), each company shall

(1) provide each of its testing stations required herein by subdivisions (a) through (d) of section 229.50 with specific gravity equipment fully complying and standardized, maintained, adjusted and calibrated in full compliance with the relevant provisions therefor of ASTM D 1070 and/or the relevant recommendations therefor of NBS M 177 and those of the manufacturer's instructions therefor that do not conflict with either ASTM D 1070 or NBS M 177 and

(2) operate said specific gravity equipment likewise in full compliance with said codes.

229.21 Required tests. (a) Determination for metering purposes. Where a company is required by the provisions of subdivision (a) of section 229.20 herein to provide any of its testing stations required herein by subdivisions (a) through (d) of section 229.50 with a recording gravitometer for the purpose of determining the specific gravity of the distributed gas in a manner adequate for orifice and other types of velocity metering, said company shall continuously record the specific gravity of the distributed gas therewith. Each said recording gravitometer shall be calibrated once each calendar month at intervals of not more than 35 days and the results recorded. Each said recording gravitometer shall be adjusted if it is determined to be in error.

(b) Automatic determination. Where the tests set forth in subdivision (a) are not required, the company shall determine the specific gravity of the distributed gas either in compliance with subdivision (c) herein or continuously determine the specific gravity of the distributed gas with automatic specific gravity equipment at the testing stations required herein by subdivisions (a) through (d) of section 229.50 in compliance with this rule. Where the automatic specific gravity equipment is of an indicating type, the specific gravity of the distributed gas shall be read and recorded daily therefrom. In all instances, automatic specific gravity equipment shall be calibrated once each alternate calendar month at intervals of not more than 70 days and the results recorded.

(c) Manual determination. Unless tests are made in conformity with subdivisions (a) or (b) herein, each company shall determine and record the specific gravity of the distributed gas with manual specific gravity equipment at the testing stations required herein by subdivisions (a) through (d) of section 229.50 except that at a testing station testing gas obtained from a stand-by source, said tests need not be made during any day that gas be obtained from said stand-by source for a total of less than one hour.

229.22 Records. The average specific gravity of the distributed gas tested at each of its testing stations required herein by subdivisions (a) through (d) of section 229.50, as determined by the tests required
herein by section 229.21, shall be computed and recorded for each day and each calendar month by each company. In each instance of a testing station where a recording gravitometer is maintained and operated, a continuous record of the specific gravity of the distributed gas, as determined by said recording gravitometer, shall be maintained and the corrected average specific gravity of the distributed gas be computed and recorded for each day and each calendar month from said continuous record except that for each day that the corrected maximum specific gravity exceeds the corrected minimum specific gravity by two or more per cent of the latter, the corrected average, maximum and minimum specific gravity of the distributed gas be computed and recorded from said continuous record. A copy of each specific gravity record shall be maintained at its originating testing station.

229.30 Equipment.
Each company shall provide each of its testing stations required herein by subdivisions (a) through (d) of section 229.50 with appropriate equipment for the determination of the partial chemical composition (percentages of carbon dioxide, illuminants, oxygen and carbon monoxide) of gas.

229.31 Required tests and testing procedure. (a) Where a company is periodically supplied with reports regarding the chemical composition of the natural gas purchased from a transmission corporation, the information in said reports shall be filed with this commission at the time of the filing of the monthly reports required herein by section 229.61. Said reports shall also include suitable identifying data such as the source of each gas sample tested, the date that it was taken, the date, method and location of test, etc. and sufficient information to demonstrate that each sample is representative of the gas delivered to the company.

(b) In all other instances, each company shall make and record the results of determinations of the chemical composition of the distributed gas at each of its testing stations required herein by subdivisions (a) through (d) of section 229.50 at such intervals and using such methods as may be acceptable to or required by this commission.

229.40 Combustible additives.
Within 30 days of the effective date hereof, each company shall advise this commission, by a letter signed by a responsible official of the company, of the extent and circumstances under which it adds supplement and/or substitute gas to the gas usually distributed. If, at any time subsequent to said filing with this commission, a company proposes new or additional sources of supplement and/or substitute gas at existing or new locations, said company shall amend its filing, by a letter signed by a responsible official of the company, to advise this commission of the proposed sources of gas at least 90 days prior to the effective date of said change except that, in instances of sudden emergency where such prior notice of the proposed sources of gas proves impossible, such notice of the proposed sources of gas shall be given to this commission, by a telegram over the name of a responsible official of the company, at the earliest possible date.

229.41 Non-combustible additives. Where a company proposes the
addition of air or any other extraneous non-combustible gas other than water vapor to the gas previously authorized for distribution by this commission, said addition shall not be made without the specific authorization thereof of this commission.

229.42 Standards of interchangeability. In order to establish the quality and proportions in which any supplement, substitute or diluent gas may be added to the gas usually distributed, each company shall be guided by the relevant effective publications of the American Gas Association, Bureau of Mines, Institute of Gas Technology and National Bureau of Standards in the design, construction and operation of manufactured gas plants and gas mixing stations and the compositions and proportions of said gases.

229.43 Verification of interchangeability.

To assure that the burning qualities of the distributed gas do not vary sufficiently to adversely affect the safety and/or efficiency of any appliances, each company shall maintain and operate suitable test equipment, during the periods when its manufactured gas plant and/or gas mixing station is operating, to compare the burning qualities of the distributed gas with those of the gas with which its consumers' appliances have been adjusted. The types and adjustments of said test equipment shall be representative of those of its consumers' appliances. The performance of said test equipment shall be observed at frequent intervals whenever supplement, substitute or diluent gas is added to the gas usually distributed and be considered to be indicative of the actual interchangeability of the gases involved. Records shall be kept of the periodic observation of the performance of said test equipment.

229.50 Number and location.

Within 30 days of the effective date hereof, each company shall advise this commission, by a letter signed by a responsible official of the company, of the location of each of the testing stations to be provided, maintained and operated by the company and the source of the gas that each of said testing stations purports to test. If, at any time subsequent to said filing with this commission, a company obtains additional or new sources of gas, said company shall amend its filing at least 90 days prior to the effective date of said change, by a letter signed by a responsible official of the company, to advise this commission of the additional or new sources and the testing stations to be provided, maintained and operated for testing the gas to be obtained therefrom. All testing stations shall meet the following requirements:

(a) Single company testing stations. (1) Where a company purchases or produces gas at one or more locations, testing stations shall be provided, maintained and operated by said company, with one testing station for each separate ultimate source of gas, located between the location of conditioning of said gas and the point of mixture of the gas with gas from any other source. All of the tests required herein shall apply to said testing stations.

(2) Where a company has two or more sources of gas supplying one distribution system, said company may be required to provide and maintain such additional testing stations on its distribution system as may be necessary to enable this commission's staff to verify the quality of the mixture of gases being delivered to consumers' premises.
(b) Joint testing stations. (1) Where a company purchases gas, having a common ultimate source, at one or more locations or where two or more companies obtain their gas supply from one or more common ultimate sources, said companies may provide, maintain and operate joint testing stations, with one such testing station for each separate ultimate source of gas, located prior to the point of mixture of the gas with gas from any other source. All of the tests required herein shall apply to said testing stations.

(2) One or more companies may designate one testing station for each separate ultimate source of gas, provided, maintained and operated by the transmission corporation from which said companies purchase their gas, as a testing station meeting the provisions herein, provided that the gas tested by said testing station is continuously representative of that delivered to said companies, that said testing station is located within the State of New York or 40 miles thereof and that said companies shall assure this commission that said testing station continuously meets the provisions of the rules and regulations herein. All of the tests required herein shall apply to such testing stations.

(c) Underground storage fields. Where a company obtains part of its gas supply from an underground storage field in which the chemical composition of the gas may be so altered as to depart from the standards established herein, the company shall take such remedial measures as may be necessary and shall provide, maintain and operate a testing station for making tests appropriate for the determination of the compliance of said gas with the provisions of the rules and regulations herein.

(d) Small districts. (1) Where a company distributes manufactured gas to 100 or less consumers or natural and/or mixed gas to 1,000 or less consumers, said mixed gas being composed of not less than 70 per cent natural gas as gaged by its thermal content on the basis of the annual gas send-out to the consumers of said gas, said company need not provide the testing stations required herein by subdivisions (a) through (d) of section 229.50.

(2) Where natural gas produced in the State of New York, representing less than 10 percent of the thermal content of the annual gas send-out to the consumers of said gas, feeds into a company's general transmission and distribution system at various isolated locations, said company need not provide a testing station therefor.

(3) Any company exempted by this section from providing a testing station in any district shall provide and maintain suitable sampling facilities to enable the staff of this commission to obtain samples of gas from the system and determine the pressure in said system.

229.51 Equipment, maintenance and availability. Each company shall provide each of its testing stations required herein by subdivisions (a) through (d) of section 229.50 of this Part with suitable equipment, including apparatus, reagents and facilities for testing gas, together with all necessary accessories and appurtenances, as required herein and maintain said equipment in good condition. The contents of each said testing station shall be subject to acceptance by this commission. Access to each said testing station shall be available at all times to the staff of this commission for the purpose of making gas tests and/or inspections of the testing station.

229.52 Gas sampling. Where a company makes any of the tests required
herein on gas that is sampled at a location other than that of the test, said gas shall be sampled in full compliance with the provisions of the relevant effective code of the American Society for Testing Materials, the presently effective codes being entitled "Standard Method of Sampling Natural Gas (D 1145-53)" and "Standard Method of Sampling Manufactured Gas (D 1247-54)."

229.60 Records.
Each company shall retain all of its records of the tests required herein on suitable forms for a period of not less than two years for examination and inspection by the staff of this commission.

229.61 Reports. Each company shall file a report for each calendar month with the office of this commission in the City of New York or in the City of Albany not more than 20 days after the expiration of the calendar month including the results of all tests and computations required herein, full relevant information for each testing station required herein, an explanation for each instance of noncompliance with the rules and regulations herein that may have occurred and a statement regarding each relevant emergency that may have occurred. Said report shall be furnished on a form, corresponding to that illustrated in form B and form C, Appendix 7-B of this Title, and provided by the company, be signed by a responsible official of the company.

229.70 Revision of other publications referred to herein.
For the purpose of complying with the rules and regulations herein, each company shall be governed, insofar as the same are herein made applicable, by the provisions of the publications of the American Gas Association, American Petroleum Institute, American Society for Testing Materials, Bureau of Mines, Institute of Gas Technology and National Bureau of Standards referred to herein which were in effect December 31, 1956. Upon the filing by a company of copies of an amended or revised edition of any of said publications with this commission, said amended or revised edition shall replace the edition referred to herein as a standard in the applicability of the rules and regulations herein, effective 90 days after the date of said filing, unless otherwise directed by this commission.

PART 230
EXTENSION OF MAINS AND SERVICE LINES--GAS CORPORATIONS
(Statutory authority: Public Service Law, ñ 65(1), 66(1))

Sec.
230.1 Definitions
230.2 Provision of gas service
230.3 Charges for additional facilities
230.4 Furnishing of rights-of-way or agreement to pay costs
230.5 Installation before service required
230.6 Inspection, maintenance and replacement of facilities

Section 230.1 Definitions. Unless the context otherwise requires, as used in this Part:
(a) The term main means a pipeline located on a public or private right-of-way which is generally available or used to transport gas to more than one service line.
(b) The term service line means a piping, including associated metering and pressure reducing appurtenances, that transports gas below grade from a main to the first accessible fitting inside the wall of a customer's building when a meter is located within the building; if a meter is located outside the building, the service line will be deemed to terminate at the outside of the building foundation wall.

(c) The term public right-of-way means the territorial limits of any street, avenue, road or way (other than a limited access thoroughfare) that is for any highway purpose under the jurisdiction of the State of New York or the legislative body of any county, city, town or village and is open to public use.

(d) The term adjusted gas revenue means the revenue realized from the applicable service classification rates and charges, minus revenue taxes, the minimum charge and the cost of gas.

230.2 Provision of gas service. (a) Utility obligation to provide gas service. When an application for gas service is made to a gas corporation by the owner or occupant of a building situated on property abutting on or having access to any public right-of-way in which governmental authority having jurisdiction will permit the corporation to install and maintain facilities, the corporation shall render the service requested in accordance with the provisions of this Part. If due to unusual circumstances the actual cost per foot of a particular installation is greater than two times the corporation's average cost per foot of new installations for service for the 12 months ended September 30th of the previous year, it may apply to the commission for relief from so much of this Part as it deems necessary in order to provide the service.

(b) Obligations of all applicants. An applicant shall first have:

(1) assured the corporation that he/she will be a reasonably permanent customer;

(2) agreed in writing to pay to the corporation:

(i) the material and installation costs relating to any portion of the service line, service connections and appurtenant facilities located on his/her property that exceeds the portion which the corporation is required to install without charge;

(ii) any surcharge relating to the portion of the main and appurtenant facilities that exceeds the portion which the corporation is required to install without charge; and

(iii) the rates charged like customers; and

(3) furnished reasonable security as to the performance of his/her agreement, if required to do so by the corporation.

(c) Residential applicant--nonheating. If an applicant requests residential nonheating service, the gas corporation shall furnish, place and construct all mains, service lines, service connections and appurtenant facilities necessary to render the service requested. The cost and expense which the corporation must bear shall include:

(1) the material and installation costs relating to up to 100 feet of main, service line measured from the centerline of the public right-of-way (or the main if it is closer to the customer and development will be limited to one side of the right-of-way for at least 10 years), service connections and appurtenant facilities, but not less than 100 feet of main (if necessary) plus the length of service line necessary to reach the edge of the public right-of-way; and
(2) the amounts paid to governmental authorities for permits to do the work required and all paving charges that are legally imposed by any governmental authority for the repair or replacement of any street or sidewalk disturbed in the course of such installation.

(d) Residential applicant--heating. If an applicant requests residential heating service, the corporation shall furnish, place and construct all mains, service lines, service connections and appurtenant facilities necessary to render the service requested. The cost and expense which the corporation must bear shall include:

(1) the material and installation costs relating to:
   (i) up to 100 feet of main and appurtenant facilities; and
   (ii) up to 100 feet of service line measured from the centerline of the public right-of-way (or the main if it is closer to the customer and development will be limited to one side of the right-of-way for at least 10 years), service connections and appurtenant facilities; but not less than the length of service line necessary to reach the edge of the public right-of-way; and

(2) the amounts legally imposed by governmental authorities for obtaining required work permits and for repairing or replacing disturbed pavement.

(e) Nonresidential applicant. If an applicant which will be a firm, nondual-fuel customer requests service other than residential service, the corporation shall furnish, place and construct all mains, service lines, service connections and appurtenant facilities necessary to render the service requested. The cost and expense which the corporation must bear shall include:

(1) the material and installation costs relating to:
   (i) up to 100 feet of main and appurtenant facilities; and
   (ii) any service line, service connections and appurtenant facilities located in the public right-of-way; and

(2) the amounts legally imposed by governmental authorities for obtaining required work permits and for repairing or replacing disturbed pavement.

(f) Matters reserved for utilities' tariffs. This section sets forth the minimum obligations of gas corporations with respect to the facilities required to be provided without charge to applicants for residential service and firm, nondual-fuel nonresidential service. Each corporation may, in its tariff schedules, extend such obligation, to the extent the provision of additional facilities without charge is cost-justified. Each corporation's obligations with respect to applicants for interruptible or dual-fuel nonresidential service shall be governed by tariffs approved by the commission.

230.3 Charges for additional facilities. (a) If, in order to provide service to an applicant, the gas corporation must install mains and appurtenant facilities in addition to those required to be provided without charge under section 230.2 of this Part, the corporation shall impose a surcharge subject to the following provisions.

(1) The surcharge relating to mains and appurtenant facilities including return, depreciation, taxes and maintenance shall not exceed 20 percent per year of the actual reasonable cost of such facilities that exceeds the portion which the corporation is required to install without charge to an applicant, if the corporation lays a main of four inches or less in nominal diameter (in the case of low pressure
distribution) or of two inches or less in nominal diameter (in the case of high pressure distribution). If the corporation lays a main greater than four inches in nominal diameter (in the case of low pressure distribution) or greater than two inches in nominal diameter (in the case of high pressure distribution), the surcharge shall not exceed 20 percent per year of the estimated reasonable cost of a four-inch main (in the case of low pressure distribution), unless the estimated consumption of the proposed customer(s) requires the installation of a larger-sized main, in which event the surcharge shall not exceed 20 percent per year of the actual reasonable cost of such main. The surcharge shall commence when gas service is first available to an applicant and shall be paid ratably for each billing period.

(2) The surcharge shall be reduced by 50 percent of adjusted gas revenues, but the credit shall not exceed the amount of the surcharge as determined above.

(3) Whenever more than one customer is connected to a main extension, the surcharge shall be so adjusted that the corporation shall not receive in any one calendar year a greater percentage from all customers served from the main extension than that applicable to such extension. The surcharge shall also be reasonably allocated among the customers being served from the main extension, taking into account the portion of mains and appurtenant facilities which the corporation is required to provide without charge to each customer served from such facilities.

(4) Each surcharge shall cease:
(i) whenever the length of a main extension required to be provided without charge to all customers served from such extension shall equal or exceed the total length of such extension;
(ii) whenever the total adjusted gas revenue from all customers served from a main extension shall equal or exceed 40 percent of the cost of such extension in excess of that required to be provided without charge, in each of any two consecutive calendar years; or
(iii) after a period of 10 years following its commencement.

(5) Should the adjusted gas revenue from all customers served from a main extension exceed the carrying cost of the entire extension, any surcharges (or contributions) paid by such customers during the preceding five years shall be refunded to such customers.

(6) No surcharge shall be imposed if the total adjusted gas revenue from all customers served from a main extension is estimated to exceed 40 percent of the actual reasonable cost of such extension in each of any two consecutive calendar years.

(b) If, in order to provide service to an applicant, the gas corporation must install service lines, service connections and appurtenant facilities in addition to those required to be provided without charge under section 230.2 of this Part, the corporation may impose a charge for material and installation costs as set forth in its tariff approved by the commission.

230.4 Furnishing of rights-of-way or agreement to pay costs. (a) Each applicant or customer shall execute and deliver to the gas corporation from which service is requested or by which service is being provided, free from cost, satisfactory permanent easements or rights-of-way to permit the corporation to provide service.

(b) The corporation shall not be obliged to provide service to any applicant or customer which has neither:
delivered to the corporation satisfactory permanent easements of rights-of-way; nor

(2) requested that the corporation obtain such easements or rights-of-way, agreed to pay any costs which the corporation incurs in obtaining them and (if required to do so by the corporation) furnished reasonable security as to the performance of his agreement.

230.5 Installation before service required.
Whenever a gas corporation installs service lines, service connections or appurtenant facilities at the request of an applicant who does not immediately desire service, the applicant shall bear the entire reasonable expense of providing, placing and constructing such facilities but shall be entitled to a refund whenever gas service is begun for such part of the expense as the corporation is herein before required to assume. The refund shall be the cost of the service lines and appurtenances, less depreciation at the rate of three percent per year.

230.6 Inspection, maintenance and replacement of facilities. (a) Each gas corporation shall be solely responsible for the inspection, testing, operation, maintenance, replacement and reconstruction of all mains, service lines, service connections and appurtenant facilities which it uses to supply gas to customers.

(b) The corporation shall bear the cost of inspecting, testing and operating all facilities. It shall bear the cost of maintaining, replacing or reconstructing all main and appurtenant facilities. It shall also bear the cost of maintaining, replacing or reconstructing the service line and appurtenant facilities necessary to serve each as if such customer were an applicant for service, unless an act or omission of the customer necessitates the replacement or reconstruction.

(c) If an act or omission of any customer who had installed facilities necessitates the replacement or reconstruction of such facilities, the customer shall pay to the corporation the cost of replacement or reconstruction.

231.1 Prohibition of residential submetering required
Section 231.1 Prohibition of residential submetering required. (a) New York State Electric & Gas Corporation, Republic Light, Heat and Power Co., Inc., and the City of Dunkirk shall file appropriate amendments to their tariff schedules, to become effective on January 1, 1955 on not less than 30 days' notice to the public and this commission, prohibiting the submetering, remetering or resale of gas or electricity for residential purposes.

(b) All gas corporations, electric corporations, gas and electric corporations and municipalities other than those named in subdivision (a) of this section, which have not filed with this commission tariff provisions prohibiting the submetering of gas or electricity for residential purposes shall, within 30 days, after service of this Part,
file appropriate amendments to their tariff schedules, to become
effective on not less than 30 days' notice to the public and this
commission, prohibiting the submetering, remetering or resale of gas or
electricity for residential purposes.

PART 232
NOTICE OF INTERRUPTION OF SERVICE
(Statutory authority: Public Service Law,
§§ 65(1), 66(2))

Sec.
232.1 Definition of interruption of service
232.2 Report of interruption of service
232.3 Time of filing
232.4 Contents

Section 232.1 Definition of interruption of service. For the purposes
of the reporting requirements set forth in this Part, an interruption of
service shall be the temporary inability to supply gas safely to a
customer caused by or related to one or more of the following
conditions:
(a) third party damages;
(b) leaks on mains (corrosion, material defect etc.);
(c) water, freeze-up or dry stoppage in gas main or service;
(d) loss in pressure due to inadequate system design or capacity or
overpressure conditions which make the continued use of gas appliances
hazardous;
(e) high pressure customers interrupted when line pressure is reduced
to make repairs;
(f) damage by utility personnel, utility personnel error or improper
operating practice;
(g) problem on supplier's system; and
(h) any other similar interruption caused by damage or failure of
utility facilities.

Section 232.2 Report of interruption of service.
Each gas utility and each municipality providing a gas service is
required to file with the commission in the manner hereinafter set forth
a report of each unscheduled interruption to service upon the
distribution systems of such corporation or municipality.

So in original. "company" inadvertently omitted.

Section 232.3 Time of filing. Said reports shall be filed with the commission
weekly, not later than Wednesday of the week following that for which
the report is rendered; all such reports of interruptions shall be filed
with the Public Service Commission, Agency Building 3, Empire State
Plaza, Albany, NY 12223.

Section 232.4 Contents.
Such report shall be made on a form 8 1/2 x 11 inches, arranged in
accordance with the form as set out in Appendix 3-A attached hereto, and
shall give the following information: the district in which interruption
occurred; the week for which report is rendered; the date or dates on
which interruptions occurred; the time the company received notification
of the interruption; the time the company dispatched its personnel to
the scene of the interruption and their arrival time; the times when interruptions began and ended; the duration in hours and minutes of such interruptions; the section of the territory served by the corporation or the municipality affected by such interruption and the approximate number of consumers affected thereby; and the cause or causes of the interruption in reasonable detail. Such report must be signed by a duly authorized officer, or his designee, of such corporation or municipality.

APPENDIX 3-A

SERVICE INTERRUPTION REPORT

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(Use reverse side, if necessary, for detailed explanation)

Signed ____________________________

.PART 233

MINIMUM INSULATION STANDARDS FOR THE PROVISION OF GAS AND ELECTRIC UTILITY SERVICE
(Statutory authority: Public Service Law, ðð 5(2R), 65(1), 66(2))

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NYCRR
Section 233.1 Definitions.

(a) Dwelling. A building designed or used as the living unit for one or more families. For the purposes of this standard, mobile homes shall not be considered dwellings.

(b) Historical building. Any building or structure designated historically significant by the State or local governing body, or listed (or determined by the Secretary of the Interior to be eligible to be listed) in The National Register of Historic Places.

233.2 Applicability and compliance.

(a) All new dwellings in the State of New York for which an application for a building permit was made and plans were filed on or after January 1, 1979, and all new dwellings within the State for which construction was begun on or after January 1, 1979, will not be eligible for gas and electric service unless these dwellings comply with the New York State Energy Conservation Construction Code. Compliance with this code will be satisfied under any of the following circumstances:

(1) a building permit is obtained for the dwelling from a building code authority or similar authority empowered by local law to issue building permits;

(2) an affirmation is given by the contractor or builder on a certificate of compliance (see Appendix B-1 of this Title) that the construction of the dwelling will comply with the Energy Conservation Construction Code within 30 days after occupancy; or

(3) a modification or variance from the requirements of the Energy Conservation Construction Code is issued by the State Board of Review as constituted pursuant to the Executive Law.

(b) For any dwelling constructed after April 1, 1977 but before January 1, 1979, gas and electric service will not be provided without compliance with the minimum insulation standards promulgated by the commission in Opinion 77-10 (Case 26286), as amended (as described in section 10.3 of this Title).

233.3 Waivers. For any dwelling subject to the requirements of section 233.2(b) of this Part, a waiver from these requirements may be granted by:

(a) the utility, when the overall heat loss for the building envelope does not exceed the total heat loss which would result from conformance to the individual requirements. The heat loss calculations shall be certified by a licensed engineer or architect;

(b) the utility, if the applicant for service can establish through two estimates, one of which may be a utility audit, that the purchase price and installation charge (excluding financing charges) will be greater than seven times the anticipated annual savings to be obtained, based on the present cost of the fuel currently used in the dwelling;

(c) the Public Service Commission for just cause, in unusual circumstances, if the applicant for gas or electric utility service has been denied a waiver pursuant to subdivision (a) or (b) of this section.

A copy of each variance granted or denied by the utility shall be made available to the commission, and each applicant denied a variance shall be promptly informed by the utility of the right to appeal to the commission.

233.4 Certificate of compliance. (a) A certificate of compliance (see
Appendix B-1 of this Title), shall be used in all areas of the State where no local authority exists, to assure compliance with the insulation requirements of the Energy Conservation Construction Code.

(b) Each certificate of compliance shall be signed by the builder or contractor, and the owner shall receive a copy of such certificate.

233.5 Compliance procedures. (a) In areas where there is no local building code authority, upon a complaint by a dwelling owner or tenant concerning noncompliance with the provisions of section 233.2 of this Part, the utility will perform an onsite inspection to determine conformance with the standards concerning roofs, walls, foundation walls, floors, windows, and doors. The result of this inspection will be provided in writing to the owner (and tenant when applicable) of the building.

(b) Whenever the utility finds, as a result of such inspection or notification by the local building code authority, more than one outstanding complaint against any particular contractor, wherein a dwelling constructed by such contractor or builder was found to be in noncompliance with the applicable standards, the utility shall refuse to provide gas or electric service to any construction site of that contractor or builder until all existing violations are corrected. The utility shall undertake random inspections of the future construction work of a past noncomplying contractor or builder until such time as the utility is satisfied that the applicable standards are being met.

233.6 Penalties for noncompliance. (a) In the event the utility finds that any dwelling fails to comply with subdivision (a) or (b) of section 233.2 of this Part, the utility shall impose a 25-percent surcharge on any bill for electric or gas service to the customer until such violations are corrected.

(b) The effective date of the surcharge rate shall be:
   (1) immediately after notice, in the event the owner is directly responsible for the noncompliance; or
   (2) ninety days after notice, in the event the owner has not contributed to the deficiencies. No surcharge shall be applied if the owner brings the building into compliance within 90 days.

(c) In the event the owner is not billed for the provision of utility service, no surcharges will be applied to the bills of the nonowner occupants of the dwelling. Instead, after notification to the owner that the building is not in compliance, a surcharge will be billed to the owner. The surcharge will be 25 percent of the utility bills for the dwelling that is not in compliance.

(d) In the event that circumstances prevent collecting the surcharge amount from the owner of the noncomplying building, the utility may refuse future connections for service to new tenants in the dwelling until it is brought into compliance.

(e) Furthermore, if the owner is an occupant of the dwelling but is not billed for any gas or electric utility service, the surcharge will be imposed on the bill for service to the unit occupied by the owner.

233.7 Applicability and conditions.

An existing dwelling will not be supplied gas or electric service for the purpose of converting to gas or electric space heat unless:

(a) the roof/ceiling has at least six inches of insulation or
insulation with an R value of 19 or greater;
(b) the dwelling has storm windows, or thermal windows with multiple glazing; and
(c) the entrances have storm doors or thermal doors.

233.8 Waivers. (a) The utility may waive the requirements in section 233.7 of this Part where:
   (1) the applicant for service can establish through two estimates, one of which may be a utility audit, that the purchase price and installation charge (excluding interest charges) will be greater than seven times the anticipated annual savings to be obtained (based on the present cost of the fuel currently used in the building);
   (2) the dwelling is an historical building; or
   (3) other measures have been taken so that the overall heat loss for the building envelope does not exceed the total heat loss which would result from conformance with the minimum requirements of section 233.7 of this Part. Such a heat loss calculation must be certified by a licensed architect or engineer.
   (b) In the case of a dwelling having a flat roof, or having four or more stories and converting to gas service in a temperature-controlled service classification, compliance with the roof insulation standard will not be required if four or more inches of insulation are already in place or if insulation can be installed only by means of cutting an opening in the roof.
   (c) In the case of a dwelling having six or more stories, storm windows will not be required as long as the utility certifies that the dwelling's windows are caulked and weatherstripped. This certification shall be made in writing to the commission. A storm window will not be required on any window opening onto a fire escape.
   (d) Copies of waivers granted or denied by a utility shall be made available to the commission. Applicants denied waivers shall be informed of their right to appeal that denial to the commission.
   (e) The commission may grant a waiver of the requirements of section 233.7 of this Part for just cause after an applicant for gas or electric service has been denied a waiver by the utility.

233.9 Certificate of compliance. (a) A dwelling's compliance with section 233.7 of this Part shall be certified either by (1) the owner, (2) a contractor of the owner's choice who has inspected the building, or (3) a utility representative who has inspected the building at the owner's request. (See Appendix B-2 of this Title.)
   (b) The utility will provide the certificate of compliance to the applicant at the time of application for service, so that the applicant will be apprised of the requirements for service and the methods by which compliance can be certified.

233.10 Penalties for noncompliance. (a) The utility shall impose a 25-percent surcharge on any bill for electric or gas service to any dwelling which has been converted to gas heat, or any dwelling which has converted to electric space heat and which does not comply with the standards set forth in section 233.7 of this Part.
   (b) The effective date of the surcharge rate shall be:
      (1) immediately after notice, in the event the owner is directly responsible for the noncompliance; or
(2) ninety days after notice, in the event the owner has not contributed to the deficiencies. No surcharge shall be applied if the owner brings the building into compliance within 90 days.

(c) In the event the owner is not billed for the provision of utility service, no surcharges will be applied to the bills of the nonowner occupants of the dwelling. Instead, after notification to the owner that the building is not in compliance, a surcharge will be billed to the owner. The surcharge will be 25 percent of the utility bills for the dwelling that is not in compliance.

(d) In the event that circumstances prevent collecting the surcharge amount from the owner of the noncomplying building, the utility may refuse future connections for service to new tenants in the dwelling until it is brought into compliance.

(e) Furthermore, if the owner is an occupant of the dwelling but is not billed for any gas or electric utility service, the surcharge will be imposed on the bill for service to the unit occupied by the owner.

Sec. 245.1 Contents of notice

Pursuant to the provisions of section 69 of the Public Service Law, as amended, every gas corporation subject to said section, after the issuance or assumption of stocks, bonds, notes or other evidences of indebtedness, including bonds, notes or other evidences of indebtedness, payable on demand or within less than 12 months, shall file with this commission a notice of such transaction within the time and in the form specified in the following:

(a) Name of reporting utility (indicate whether corporation, partnership, individual, or other party).

(b) Address of reporting utility.

(c) The name of the official responsible for statements submitted and to whom should be addressed any correspondence relating thereto.

(d) Date of the report.

(e) Period covered by the report (both dates inclusive where applicable).

(f) Information regarding securities or obligations issued.

(i) Pursuant to authority granted by order of this commission:

(ii) Issuance of capital stock, in exchange for convertible securities issued pursuant to commission authorization, may be reported annually, not later than 60 days after the end of the calendar year covered by the
report; such report to show only the number of shares of such stock issued during such calendar year, the securities retired by reason of the exchange, and the additional consideration realized, if any, by reason of the exchange.

(iii) For each type of security or obligation, include the following information, as appropriate:

(a) Designation of security--classified according to distinguishing characteristics, such as class of stock of par value or no par value and dividend rate of preferred stock, or character of debt obligation and interest rate or maturity date or other distinguishing characteristic.

(b) Date of actual issue or assumption.

(c) Number of shares of each class of stock or principal amount of each debt obligation issued.

(d) Consideration realized from each class or type of security (if consideration is other than cash, give description and basis of value).

(e) Case number and date of order of this commission under which the security issue was authorized.

(2) Securities issued or assumed under circumstances not requiring the formal approval of this commission, such as obligations (real estate mortgages, chattel mortgages, conditional sales agreements, promissory notes, etc.) having a term of less than 12 months:

(i) Notice of issuance shall set forth the transaction covering obligations issued during each calendar month and shall be filed not later than 10 days after the end of the calendar month covered by such report.

(ii) For each type of obligation of $10,000 face amount or more, include the following information as appropriate:

(a) Designation of the obligation giving descriptive distinguishing characteristics. Include description of real estate mortgage, chattel mortgage, conditional sale agreement, or any hypothecation of assets given in connection with the obligation.

(b) Date of actual issue or assumption.

(c) Name of payee.

(d) Principal or face amount.

(e) Rate of interest.

(f) Date of maturity (if demand so specify) or schedule of periodic payments.

(g) Names of endorsers, if any.

(h) Consideration realized from issuance of the obligation.

(i) Purpose for which the obligation was issued; if for cash indicate the use to which the proceeds are to be applied.

(j) State whether the obligation represents an increase of indebtedness or an obligation given in renewal of existing obligations or in cancellation of accounts payable. For renewals of obligations of $10,000 face amount or more, give the dates and amounts of the obligations for which the renewal obligation is in whole or in part to be substituted; for renewals of obligations of less than $10,000 face amount, give the date or month of issuance, the rate of interest, date or month of maturity and the total amount of the obligations for which the renewal obligation is in whole or in part to be substituted. (See subparagraph (iv) of this paragraph.)

(iii) For each type of obligation of less than $10,000 face amount list the information required in subparagraph (ii) of this paragraph or group each type of obligation of less than $10,000 face amount which is...
identical except for the payee, the exact date of issue or assumption within any one calendar month and the exact date of maturity within any one calendar month. Report for each group the information required in subparagraph (ii) (a), (e), (g), (h), (i) and (j) of this paragraph but substitute for subparagraph (ii) (b), (c), (d) and (f), the following: 
(b) month of actual issue or assumption, (c) number of obligations, (d) amount of indebtedness and (f) the month and year of maturity (if demand so specify).

(iv) Report the outstanding obligations as of the final date of the period covered by the notice of issuance. List the date of actual issue or assumption, principal or face amount and rate of interest of all obligations reported pursuant to subparagraph (ii) of this paragraph. For obligations reported pursuant to subparagraph (iii) of this paragraph, list the date or month of actual issue or assumption, the rate of interest of each obligation or group of obligations and the amount of each obligation or group of obligations outstanding.

(3) For any other class of securities, give corresponding particulars, not later than 10 days after the end of the calendar month in which issued or assumed, to the end that the commission may be fully advised as to the nature of the transaction and purpose for which obligations were incurred or securities were issued and the proceeds therefrom are to be used.

(g) Each notice of issuance of securities or obligations shall be subscribed by an executive officer of the corporation, a member of the partnership, the individual owner, or other party of the utility in behalf of which the notice is filed, and affirmed by such person as true under the penalties of perjury.

245.2 Issuance not heretofore reported.

Every such public utility which has not filed with this commission a notice of the issuance of any stocks, bonds, notes, or other evidences of indebtedness now outstanding and issued with or without the approval of this commission shall, within 30 days from the date of service of a copy of this order, file a notice of each such transaction in the form prescribed herein.

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255.1013 Deviations from required periodic inspections
255.1015 GDPIM plan requirements for a master meter or a small liquified petroleum gas (LPG) operator

255.1 Scope.
(a) This Part prescribes minimum safety requirements for the design, fabrication, installation, inspection, testing and operation and maintenance of gas transmission and distribution systems, including gas gathering lines, gas pipelines, gas compressor stations, gas metering and regulating stations, gas mains, service lines, gas storage equipment of the closed pipe type fabricated or forged from pipe or fabricated from pipe and fittings, and gas storage lines not covered by 49 CFR 192.
(b) Every person engaged in the transportation of gas via pipeline within the State of New York shall comply with the rules set forth in this Part.
(c) This Part is based on and includes many of the requirements set forth in title 49, Code of Federal Regulations, part 192 Department of Transportation Regulations for Transportation of Natural and Other Gas By Pipeline: Minimum Federal Safety Standards. The rules and regulations expressed or implied by this Part meet or exceed those Minimum Federal Safety Standards.
(d) This Part does not apply to:
   (1) design and fabrication of pressure vessels covered by the ASME Boiler and Pressure Vessel Code;
   (2) piping with metal temperatures above 450µF (232µC) or below minus 20µF (-29µC);
   (3) the design, fabrication and installation of aboveground or inside piping and appliances beyond the outlet of the customer's meter set assembly (refer to Part 261 and NFPA 54);
   (4) piping in oil refineries or natural gasoline extraction plants, gas treating plant piping other than the main gas stream piping in
dehydration and all other processing plants installed as part of the gas transmission system, gas manufacturing plants, industrial plants or mines;

(5) vent piping to operate at substantially atmospheric pressures for waste gases of any kind;

(6) wellhead assemblies, including traps or separators, heaters, control valves, and flow lines of less than 100 feet (30.5 meters) in length between the wellhead and trap or separator, or casing and tubing in gas or oil wells (flowlines of greater than 100 feet (30.5 meters) in length between the wellhead and trap or separator are considered to be gathering lines);

(7) proprietary items of equipment, apparatus or instruments;

(8) heat exchangers;

(9) liquid petroleum transportation piping systems; and

(10) prefabricated units which employ plate and longitudinal welds as contrasted to pipe.

(11) any pipeline that transports only petroleum gas or petroleum gas/air mixtures to

(i) fewer than 10 customers, if no portion of the system is located in a public place; or

(ii) a single customer, if the system is located entirely on the customer's premises.

255.2 Retroactivity. (a) Except where otherwise indicated, this Part will not be applied retroactively to existing installations insofar as design, fabrication, installation and testing are concerned.

(b) However, all the provisions of this Part will be applicable to any recertification, upgrading, or reconstruction. Recertifications and upgradings are also specifically subject to the provisions of sections 255.552 through 255.557 of this Part.

(c) Existing installations will conform to the requirements of this Part's predecessor in effect at the time of installation.

(d) Provisions of this Part are applicable to the operation and maintenance of existing and new installations.

255.3 Definitions.

(a) As used in this Part:

(1) Abandoned means permanently removed from service.

(2) Abnormal operating condition means a condition identified by the operator that may indicate a malfunction of a component or deviation from normal operations that may indicate a condition exceeding design limits or result in a hazard(s) to persons, property, or the environment.

(3) Active corrosion means continuing corrosion that, unless controlled, could result in a condition that is detrimental to public safety.

(4) Alarm means an audible or visible means of indicating to the controller that equipment or processes are outside operator-defined, safety-related parameters.

(5) Approved means prior approval must be granted by the department, except in emergency situations.

(6) Building of public assembly means any school, hospital, nursing home, institution licensed by New York State for the care of children, or any factory which normally employs 75 or more persons; or any other
building with a nominal capacity of 75 or more persons to which the public is regularly admitted. Structures which are used solely as office buildings or residential apartments and normally have no other utilization in excess of the 75-person limit are excluded from this definition.

(7) Control room means an operations center staffed by personnel charged with the responsibility for remotely monitoring and controlling a pipeline facility.

(8) Controller means a qualified individual who remotely monitors and controls the safety-related operations of a pipeline facility via a SCADA system from a control room, and who has operational authority and accountability for the remote operational functions of the pipeline facility.

(9) Covered tasks are all activities, identified by the operator, that:
   (i) are performed on a pipeline facility;
   (ii) are operations and maintenance tasks;
   (iii) are performed as a requirement of this Part; and
   (iv) affect the operation or integrity of the pipeline.

(10) Customer meter means the meter that measures the transfer of gas from an operator to a consumer.

(11) Department. For this Part, department shall mean the Department of Public Service, Office of Electric, Gas and Water, Pipeline Safety Section, or its successor, Three Empire State Plaza, Albany, NY 12223-1350, (518) 474-5453, Safety@dps.ny.gov.

(12) Distribution line means a pipeline other than a gathering or transmission line.

(13) Electrical survey means a series of closely spaced pipe-to-soil readings over pipelines which are subsequently analyzed to identify locations where a corrosive current is leaving the pipeline.

(14) Evaluation means a process, established and documented by the operator, to determine an individual's ability to perform a covered task by any of the following: written examination; oral examination; work performance history review; observation during:
   (i) performance on the job;
   (ii) on the job training;
   (iii) simulations or other forms of assessment.

(15) Excess of flow valve means a device installed in or near the service tee to prevent gas from flowing downstream in the event of failure of the service between the tee and meter. When the gas flow through the device exceeds a designated rate, the valve automatically closes and stops all or a major portion of the gas flow.

(16) Field regulator means a pressure regulating device with an outlet pressure in pounds per square inch serving two through ten residential gas customers. This regulator is also known as a farm tap regulator.

(17) Follow-up inspection means an inspection performed after an outside leak repair procedure has been completed in order to determine the effectiveness of the repair. It includes retests of all positive inside leak indications and outside readings from the original classification.

(18) Gas means natural gas or other fuel gas, including liquefied petroleum gas distributed as a vapor or gas which is toxic or corrosive.

(19) Gathering line means a pipeline that transports gas from a current production facility to a transmission line, main, or directly to
an end user.

(20) High pressure distribution system means a distribution system in which the gas pressure in the main must be reduced before delivery to a customer.

(21) Hoop stress means the stress in a pipe wall, acting circumferentially in a plane perpendicular to the longitudinal axis of the pipe and produced by the pressure of the fluid in the pipe.

(22) Hot tap means a branch piping connection made to an operating pipeline or other facility while it is under gas pressure.

(23) Leakage investigation means a survey conducted for the purpose of determining the extent of potential hazard and classifying a leak in accordance with section 255.807 of this Part. It involves the driving or boring of holes at sufficient depth and testing the atmosphere in these holes and other available openings with a properly calibrated combustible gas indicator (CGI) or approved equivalent device.

(24) Leakage survey means a systematic survey made for the purpose of locating leaks in a gas piping system using an approved instrument which continuously analyzes atmospheric samples near ground level and is capable of detecting the presence of gas in parts per million in air.

(25) Listed specification means a specification set forth in section I of Appendix 14-B of this Title.

(26) Long-term hydrostatic strength means the estimated hoop stress in psi in a plastic pipe wall that will cause failure of the pipe at an average 100,000 hours when subjected to a constant hydrostatic pressure.

(27) Low-pressure distribution system means a distribution system in which the gas pressure in the main is substantially the same as the pressure provided to the typical customer.

(28) Main means a distribution line that serves as a common source of supply for more than one service line.

(29) Maximum actual operating pressure means the maximum pressure that occurs on a system during normal operations over a period of one year.

(30) Maximum allowable operating pressure means the maximum pressure at which a pipeline or segment of a pipeline may be operated under this Part.

(31) Maximum certified operating pressure means the maximum pressure at which a pipeline may be operated, as certified by the original filing under section 255.302(b) of this Part, a predecessor rule thereof, or as modified in accordance with section 255.555 or 255.611 of this Part.

(32) Municipality means a city, county, or other political subdivision of New York State.

(33) Operator means a person who engages in the transportation of gas.

(34) Person means any individual, firm, joint venture, partnership, corporation, association, State, municipality, cooperative association, or joint stock association, and including any trustee, receiver, assignee or personal representative thereof.

(35) Pipe means any pipe or tubing used in the transportation of gas.

(36) Pipeline means all parts of those physical facilities through which gas is transported, including pipe, valves, and other appurtenances attached to pipe, compressor units, metering stations, regulator stations, delivery stations, holders, and fabricated assemblies.

(37) Pipeline environment includes soil resistivity (high or low), soil moisture (wet or dry), soil contaminants that may promote corrosive activity, and other known conditions that could affect the probability
of active corrosion.

(38) Pipeline facility means new and existing pipeline, rights-of-way, and any equipment, facility, or building used in the transportation of gas or in the treatment of gas during the course of transportation.

(39) Plastic means a material which contains as an essential ingredient one or more organic polymeric substances of large molecular weight, is solid in its finished state and, at some stage of its manufacture or processing, can be shaped by flow. The two general types of plastic referred to in this Part are thermoplastic and thermosetting.

(40) Qualified means that an individual has been evaluated and can:
   (i) perform assigned covered tasks; and
   (ii) recognize and react to abnormal operating conditions.

(41) Reading means any sustained deviation on a properly calibrated combustible gas indicator (CGI) or approved equivalent instrument taken in a sample point expressed in percent LEL (lower explosive limit) or percent gas-in-air.

(42) Secondary stress means stress created in the pipe wall by loads other than internal fluid pressure. For example, backfill loads, traffic loads, beam action in a span, loads at supports and at connections to the pipe.

(43) Service line means the piping, including associated metering and pressure reducing appurtenances, that transports gas below grade from a main or transmission line to the outlet of the customer meter or at the connection to a customer's piping, whichever is further downstream where a meter is located within the building; if a meter is located outside the building, the service line will be deemed to terminate at the outside of the building foundation wall.

(44) Service regulator means the device on a service line that controls the pressure of gas delivered from a higher pressure to the pressure provided to the customer. A service regulator may serve one customer or multiple customers through a meter header or manifold.

(45) SMYS means specified minimum yield strength.

(46) Stub means a service line that terminates at or before the property line.

(47) Supervisory control and data acquisition (SCADA) system means a computer-based system or systems used by a controller in a control room that collects and displays information about a pipeline facility and may have the ability to send commands back to the pipeline facility.

(48) Thermoplastic means a plastic which is capable of being repeatedly softened by increase of temperature and hardened by decrease of temperature.

(49) Thermosetting plastic means a plastic which is capable of being changed into a substantially infusible or insoluble product when cured by application of heat or chemicals.

(50) Transmission line means a pipeline, other than a gathering line, that:
   (i) transports gas from a gathering line or storage facility to a distribution center or storage facility, or directly to a large volume user that is not downstream from a distribution center; or
   (ii) operates at a hoop stress of 20 percent or more of SMYS; or
   (iii) transports gas within a storage field.

Note:
A large volume customer may receive similar volumes of gas as a distribution center, and includes factories, power plants, and
institutional users of gas.

51. Transportation of gas means the gathering, transmission, or distribution of gas by pipeline, or the storage of gas.

52. Welder means a person who performs manual or semiautomatic welding.

53. Welding operator means a person who operates machine or automatic welding equipment.

54. Master meter system means a pipeline system for distributing gas within, but not limited to, a definable area, such as a mobile home park, housing project, or apartment complex, where the operator purchases metered gas from an outside source for resale through a gas distribution pipeline system. The gas distribution pipeline system supplies the ultimate consumer who either purchases the gas directly through a meter or by other means, such as by rents.

SO DOC 16B-255.4 NYCRR
255.4 Notifications and reports.
Unless otherwise indicated in this Part, submission of any notification, program, plan, letter of intent, procedure, or written or telephonic report as required by any provision of this Part shall be to the Department.

SO DOC 16B-255.5 NYCRR
255.5 Class locations.
(a) Except as provided in paragraphs (d) (2) and (e) (2) of this section, the class location is determined by the number of buildings intended for human occupancy in the class location unit. The class location unit is an area that extends 220 yards (201.17 meters) on either side of the centerline of any continuous one-mile (1.61 kilometers) length of pipeline. For the purposes of this section, each separate dwelling unit in a multiple dwelling building is counted as a separate building intended for human occupancy.

(b) A Class 1 location is any class location unit that has 10 or fewer buildings intended for human occupancy.

c) A Class 2 location is any class location unit that has more than 10 but fewer than 46 buildings intended for human occupancy.

(d) A Class 3 location is:
(1) any class location unit that has 46 buildings or more intended for human occupancy; or
(2) any area where the pipeline lies within 100 yards (91.44 meters) of either a building or a small, well defined outside area that is occupied by 20 or more persons during normal use (such as a playground, recreation area, outdoor theater, or other place of public assembly).

(e) A Class 4 location is:
(1) any class location unit that has 100 or more buildings intended for human occupancy and where wall to wall pavement is prevalent; or
(2) any class location unit where buildings with four or more stories above ground are prevalent.

(f) The boundaries of the class location unit determined in accordance with subdivisions (a) through (e) of this section may be extended according to the following:
(1) When a cluster of buildings intended for human occupancy otherwise requires a Class 2, 3 or 4 location, the class location unit ends 220 yards (201.17 meters) from the nearest building in the cluster.

(2) When the number of buildings with four or more stories requires a Class 4 location, the class location unit ends 220 yards (201.17 meters)
from the nearest building with four or more stories.

NYCRR

255.7 Incorporation by reference.
(a) Any documents or parts thereof incorporated by reference in this Part are a part of this regulation as though set out in full herein.
(b) All incorporated documents are available for inspection at the Department. In addition, the documents are available at the addresses provided in section 10.3 of Title 16 of the Official Compilation of Codes, Rules and Regulations of the State of New York (16 NYCRR).
(c) The full titles for the publications incorporated by reference in this Part are provided in section 10.3 of this Title. Numbers in parentheses indicate applicable editions. Earlier editions of documents listed or editions of documents formerly listed may be used for materials and components manufactured, designed, or installed in accordance with those earlier editions at the time they were listed.
(d) Some standards and specifications cited in Appendices 14-A and 14-B of this Title are supplemented by specific requirements elsewhere in this Part. Users of this Part are advised against attempting direct application of any of these standards without carefully observing this Part's reference to that standard.

NYCRR

255.9 Gathering lines.
(a) Except as specified in subdivision (b) of this section, each gathering line shall be designed, constructed, tested, operated and maintained as specified in subdivision (f) of this section.
(b) Gathering lines or any portion thereof located within the following areas shall be designed, constructed, tested, operated and maintained in accordance with the provisions of this Part applicable to steel transmission lines:
(1) within 150 feet (45.72 meters) of an existing residence or place of public assembly;
(2) within the limits of any city, or incorporated village; or
(3) within a designated residential or commercial area such as a subdivision, business or shopping center, or community development.
(c) Prior to the start of construction of any gathering line, notification in compliance with the following paragraphs shall be filed:
(1) At least 30 days prior to the start of construction for any gathering line intended to operate at a pressure of 125 PSIG (862 kPa) or more, the notice must be a letter of intent and a report of specifications similar in format to Appendix 7-G of this Part.
(2) At least 48 hours prior to the start of construction for any gathering line intended to operate at a pressure of less than 125 PSIG (862 kPa), the notice is to be a letter of intent giving the company name, address, and specific location of the intended construction.
(3) Any person intending to construct a gathering line in an area used for commercial farm purposes in at least two of the last five years regardless of the proposed operating pressure of the line, must complete the information requested in Appendices 7-G and 7-G(a) of this Title and provide one copy each of Appendices 7-G and 7-G(a) of this Title to the affected farmland operator and the local county soil and water conservation district at least 48 hours in advance of the start of construction. The person shall retain a copy of Appendices 7-G and 7-G(a) of this Title for review by any interested party in the future.
(d) Notwithstanding any other provisions of this Part, where natural
gas is gathered from production facilities, transported off the property on which the production facilities are located, and sold directly to an end user, the following shall apply:

(1) The portion of the pipeline that is downstream of the point at which no additional gas enters the pipeline from a production facility or, in cases involving a single production facility, that is downstream of the point at which the pipeline enters a public right-of-way, or adjacent private right-of-way, is a transmission line if it operates at a hoop stress of 20 percent or more of SMYS or, otherwise, a distribution line. Such transmission or distribution lines shall fully comply with the applicable requirements contained in this Part for such lines.

(2) In cases where gas is transported directly from production facilities and sold to a single end-user, that portion of the pipeline which is downstream of the end-user's property line is a service line and shall comply with the applicable requirements contained in this Part.

(3) Any person who intends to transport and sell gas from a production facility directly to an end-user shall report such intent as part of the notification required by subdivision (c) of this section.

(e) Any person operating a gathering line (regardless of the pipeline material) which was originally constructed to operate at a pressure of less than 125 PSIG (862 kPa) who proposes to increase the operating pressure of such line to 125 PSIG (862 kPa) or more shall comply with the requirements of sections 255.552, 255.553 and 255.555 of this Part.

(f) Any gathering line, except as specified in subdivision 255.9 (b), shall be designed, constructed, tested, operated and maintained in conformance with sound engineering practices, including the following criteria.

(1) All joints shall be visually inspected for defects and shall have a neat workmanlike appearance. Qualified welders and plastic joiners shall be employed.

(2) Except as provided in paragraph 255.9 (f) (3), all pipe shall be installed with a minimum of 24 inches (610 millimeters) of cover. Where solid rock is encountered, the minimum cover may be reduced to 12 inches (305 millimeters). In areas subject to erosion or in locations where future grading is likely, such as at road, highway, railroad and ditch crossings, additional protection shall be provided.

(3) Notwithstanding paragraph (2) of this subdivision, in areas actively cultivated for commercial farm purposes in at least two out of the last five years, as identified by the farmland operator, all pipe shall be installed with a minimum 40 inches (1016 millimeters) of cover. The farmland operator may also designate such support land areas, not under active cultivation but subject to land management practices such as, but not limited to, drainage and soil erosion control systems. The farmland operator may allow less than 40 inches (1016 millimeters) of cover if less conforms with normal agricultural practices, including land fitting (e.g., plowing, subsoiling, disking, etc.) and prospective agricultural engineering projects taking into account and the recommended practices and standards of the United States Department of Agriculture, Soil Conservation Service, contained in its National Handbook of Conservation Practices and its National Engineering Manual. The farmland operator may require a depth-of-cover greater than 40 inches (1016 millimeters) as a condition of permitting a right-of-way
across his or her land where necessary to safely accommodate such practices and projects. Information about soil types and applicable agricultural engineering standards and practices may be obtained from the U.S. Department of Agriculture, Soil Conservation Service office, located in the county in which the gathering line is to be installed.

*Information about soil types and applicable agricultural engineering standards and practices may be obtained from the U.S. Department of Agriculture, Soil Conservation Service office, located in the county in which the gathering line is to be installed.

(4) Each gathering line must be protected from washouts, floods, unstable soil, landslides or other hazards that may cause the pipeline to be exposed, to move, or to sustain abnormal loads.

(5) A suitable conductive wire shall be installed with plastic pipe to facilitate locating it with an electronic pipe locator. Other approved suitable material or means may be employed for accomplishing this purpose.

(6) The maximum allowable operating pressure for plastic pipelines is to be determined in accordance with either of the formulas in section 255.121 of this Part, subject to the limitations of sections 255.123(b) through (d) of this Part.

(7) All deleterious defects, gouges, dents and grooves shall be eliminated prior to testing.

(8) The pipeline shall be subjected to a minimum pressure test of 100 PSIG (689 kPa) or 1 1/2 MAOP, whichever is greater, for two hours. However, the maximum test pressure for plastic pipe may not be more than three times the design pressure of the pipe. Where reservoir pressure of the field is less than these pressures, the reservoir pressure may be the test pressure.

(9) Test medium shall be air, inert gas or water. Other approved media may be used.

(10) Regardless of installation date, pipeline markers complying with the requirements of section 255.707(d)-(e) of this Part shall be installed at each crossing of a public road, railroad, navigable waterway, and wherever else it is necessary to identify the location of the gathering line to reduce the possibility of damage or interference. In areas used for commercial farm purposes in at least two of the last five years, pipeline markers shall be installed at points which adequately identify the location and direction of the pipeline. Such location points shall be determined in consultation with the farmland operator.

(11) Maps shall be prepared documenting the location of the line and critical valves.

(12) The pipelines shall be patrolled a minimum of every two years for washouts and other hazardous conditions, including a check for area population development change.

(13) The line shall be surveyed for leakage at least once every five years.

(14) The adequacy of over pressure protection devices shall be verified annually to ensure safe operation of the line.

(15) To abandon the gathering system in place, all sources of gas must be disconnected from the system, the system shall be purged with air or inert gas and the ends sealed.

(16) Sufficient documentation shall be maintained to demonstrate compliance with these regulations.
255.11 Petroleum gas systems.
(a) Each plant that supplies petroleum gas by pipeline to a natural gas distribution system must meet the requirements of this Part and NFPA 58 and NFPA 59 (as described in section 10.3 of this Title).
(b) Each pipeline subject to this Part that transports only petroleum gas or petroleum gas/air mixtures must meet the requirements on NFPA 58 and 59 (as described in section 10.3 of this Title).
(c) In the event of a conflict between this Part and NFPA 58 and NFPA 59, NFPA 58 and NFPA 59 prevails.

255.13 General.
(a) The rules and regulations of this Part are considered adequate for safety under conditions normally encountered in the gas industry. However, these rules and regulations cannot specifically provide for all abnormal or unusual conditions; nor can they specifically detail all methods for achieving compliance. Approved alternate methods may be used provided that all work performed within the scope of this Part shall meet or exceed the safety standards expressed or implied herein.
(b) In complying with this Part, operators shall use methods that are reasonable and proper for the anticipated operating conditions and that can reasonably be expected to provide a level of safety equivalent to or greater than that which would result from following the generally accepted standards of the gas industry. The Gas Piping Technology Committee Guide (GPTC) for Gas Transmission and Distribution Piping Systems is, except where in conflict with provisions of this Part, representative of this level of practice.
(c) Waiver. If a waiver of or deviation from the application of any rules prescribed in this Part is indicated because of special facts, application may be made to the Public Service Commission for waiver of or deviation from the rules and regulations in this Part. Each request shall include a full and comprehensive justification for such requested waiver or deviation, together with a proposed alternate rule to be considered for application to the conditions requiring the waiver or deviation.
(d) This Part is concerned with the safety of the general public and employee safety to the extent that it is affected by basic design, quality of the materials and workmanship, requirements for testing, and maintenance of gas transmission and distribution facilities. Existing industrial safety regulations pertaining to work area, safety devices, and safe work practices are not intended to be supplanted by this Part.

255.14 Conversion to service subject to this Part.
(a) A steel pipeline previously used in other than natural gas service qualifies for use under this Part if the operator prepares and follows a written procedure to carry out the following requirements.
(1) The design, construction, operating, and maintenance history of the pipeline must be reviewed and, where sufficient historical records are not available, appropriate tests must be performed to determine if the pipeline is in satisfactory condition for safe operation.
(2) The pipeline right-of-way, all aboveground segments of the pipeline, and appropriately selected underground segments must be visually inspected for physical defects and operating conditions which reasonably could be expected to impair the strength or tightness of the
pipeline.

(3) All known unsafe defects and conditions must be corrected in accordance with this Part.

(4) The pipeline must be tested in accordance with sections 255.503 through 255.517 of this Part to substantiate the maximum allowable operating pressure permitted by this Part.

(b) Each operator must keep for the life of the pipeline a record of investigations, tests, repairs, replacements, and alterations made under the requirements of subdivision (a) of this section.

(c) An operator converting a pipeline from service not previously covered by this part must notify the department of intent to conversion of service 60 days prior to when conversion occurs and to PHMSA as required by 49 CFR section 191.22.

255.15 Rules of regulatory construction. (a) As used in this Part:
(1) includes means including but not limited to;
(2) may means is permitted to or is authorized to;
(3) may not means is not permitted to or is not authorized to; and
(4) shall is used in the mandatory and imperative sense.

(b) In this Part:
(1) words indicating the singular include the plural;
(2) words indicating the plural include the singular; and
(3) words indicating the masculine gender include the feminine.

255.17 Preservation of records.
(a) Notwithstanding the requirements of Part 293 or Part 733 of this Title, the minimum period of retention of records required by this Part shall be at least three years. Longer periods of retention may be mandated by section 255.517 of this Part, Part 293 and Part 733 of this Title. Longer periods of retention that reflect and align with each inspection or compliance cycle in this Part are required.

(b) All records pertaining to any pipeline designed to operate at 125 psig (862 kPa) or more shall be kept in files reserved for that pipeline only and retained for as long as the line remains in service.

(c) All records or copies thereof, shall be kept on file in the State of New York and accessible to the staff of the Department of Public Service.

255.51 Scope. Sections 255.53 through 255.65 of this Part prescribe the minimum requirements for the selection and qualification of pipe and components for use in pipelines.

255.53 General. Materials for pipe and components must be:
(a) able to maintain the structural integrity of the pipeline under temperature and other environmental conditions that may be anticipated;
(b) chemically compatible with any gas that they transport and with any other material in the pipe with which they are in contact; and
(c) qualified in accordance with the applicable requirements of this Part.

255.55 Steel pipe.
(a) New steel pipe is qualified for use under this Part if:
(1) it was manufactured in accordance with a listed specification;
(2) it meets the requirements of section II or III of Appendix 14-B of
this Title; or
(3) it is used in accordance with subdivision (c) of this section.

(b) Used steel pipe is qualified for use under this Part if:
(1) it was manufactured in accordance with a listed specification and it meets the requirements of paragraph II-C of Appendix 14-B of this Title;
(2) it meets the requirements of section II or III of Appendix 14-B of this Title;
(3) it has been used in an existing line of the same or higher pressure and meets the requirements of paragraph II-C of Appendix 14-B of this Title; or
(4) it is used in accordance with subdivision (c) of this section.

(c) New or used steel pipe may be used at a pressure resulting in a hoop stress of less than 6,000 psi (41 MPa) where no close coiling or close bending is to be done.

(d) New steel pipe that has been cold expanded must comply with the mandatory provisions of API Specification 5L (as described in Section 10.3 of this Title).

(e) New steel pipe that has been cold expanded must comply with the mandatory provisions of API Spec 5L (as described in section 10.3 of this Title).

.SO DOC 16B-255.57
255.57 Cast iron or ductile iron pipe. Cast and ductile iron pipe is prohibited from use in new or replacement installations.

.SO DOC 16B-255.59
255.59 Plastic pipe.

(a) New plastic pipe is qualified for use under this Part if:
(1) when the pipe is manufactured, it is manufactured in accordance with the latest listed edition of a listed specification; and
(2) it is resistant to chemicals with which contact may be anticipated.

(b) Acrylonitrile-butadiene-styrene (ABS) thermoplastic material is prohibited from use in new or replacement installations.

(c) Used plastic pipe is prohibited from use in new or replacement installations. This does not prohibit the reactivation of a plastic pipeline.

(d) Rework and/or regrind material is not allowed in plastic pipe produced after March 6, 2015 used under this Part.

(e) For the purpose of paragraph (a) (1) of this section, where pipe of a diameter included in a listed specification is impractical to use, pipe of a diameter between the sizes included in a listed specification may be used if it:

(1) meets the strength and design criteria required of pipe included in that listed specification; and
(2) is manufactured from plastic compounds which meet the criteria for material required of pipe included in that listed specification.

.SO DOC 16B-255.63
255.63 Marking of materials.

(a) Each valve, fitting, length of pipe, and other component must be marked:
(1) as prescribed in the specification or standard to which it was manufactured, except that thermoplastic fittings made of plastic materials other than polyethylene must be marked in accordance with ASTM D 2513 (as described in section 10.3 of this Title); or
(2) To indicate size, material, manufacturer, pressure rating, and temperature rating, and as appropriate, type, grade, and model (as described in section 10.3 of this Title).

(b) Surfaces of pipe and components that are subject to stress from internal pressure may not be field die stamped.

(c) If any item is marked by die stamping, the die must have blunt or rounded edges that will minimize stress concentrations.

255.65 Transportation of pipe.

(a) In a pipeline to be operated at a hoop stress of 20 percent or more of SMYS, an operator may not install pipe having an outer diameter to wall thickness ratio of 70 to 1, or more, that is transported by railroad unless the transportation is performed in accordance with API RP5L1, (as described in section 10.3 of this Title).

(b) Ship or barge. In a pipeline to be operated at a hoop stress of 20 percent or more of SMYS, an operator may not use pipe having an outer diameter to wall thickness ratio of 70 to 1, or more, that is transported by ship or barge on both inland and marine waterways unless the transportation is performed in accordance with API RP 5LW, (as described in Section 10.3 of this Title).

(c) Truck. In a pipeline to be operated at a hoop stress of 20 percent or more of SMYS, an operator may not use pipe having an outer diameter to wall thickness ratio of 70 to 1, or more, that is transported by truck unless the transportation is performed in accordance with API RP 5LT (as described in section 10.3 of this Title).

255.101 Scope.

Sections 255.103 through 255.125 of this Part prescribe the minimum requirements for the design of pipe.

255.103 General. Pipe must be designed with sufficient wall thickness, or must be installed with adequate protection to withstand anticipated external pressures and loads that will be imposed on the pipe after installation.

255.105 Design formula for steel pipe.

(a) The design pressure for steel pipe is determined in accordance with the following formula:

\[ P = \left( \frac{2St}{D} \right) \times F \times E \times T \]

\( P \) = Design pressure in pounds per square inch (kPa) gauge.
\( S \) = Yield strength in pounds per square inch (kPa) determined in accordance with section 255.107 of this Part.
\( D \) = Nominal outside diameter of the pipe in inches (millimeters).
\( t \) = Nominal wall thickness of the pipe in inches (millimeters).
\( F \) = Design factor determined in accordance with section 255.111 of this Part.
\( E \) = Longitudinal joint factor determined in accordance with section 255.113 of this Part.
\( T \) = Temperature derating factor determined in accordance with section 255.115 of this Part.

(b) If steel pipe that has been subjected to cold expansion to meet the SMYS is subsequently heated, other than by welding or stress relieving as a part of welding, the design pressure is limited to 75 percent of the pressure determined under subdivision (a) of this section.
if the temperature of the pipe exceeds 900µF (482µC) at any time or is
held above 600µF (316µC) for more than one hour.

255.107 Yield strength (S) for steel pipe.
(a) For pipe that is manufactured in accordance with a specification
listed in section I of Appendix 14-B of this Title, the yield strength
to be used in the design formula in section 255.105 of this Part is the
SMYS stated in the listed specification, if that value is known.
(b) For pipe that is manufactured in accordance with a specification
not listed in section I of Appendix 14-B of this Title and whose
specification or tensile properties are unknown, the yield strength to
be used in the design formula in section 255.105 of this Part is one of
the following:
(1) if the pipe is tensile tested in accordance with section II-D of
Appendix 14-B to this Title, the lower of either 80 percent of the
average yield strength determined by the tensile tests, or the lowest
yield strength determined by the tensile tests; or
(2) if the pipe is not tensile tested as provided in paragraph (1) of
this subdivision, 24,000 psi (165 MPa).

255.109 Nominal wall thickness (t) for steel pipe.
(a) If the nominal wall thickness for steel pipe is not known, it is
determined by measuring the thickness of each piece of pipe at quarter
points on one end.
(b) However, the nominal wall thickness used may not be more than 1.14
times the smallest measurement taken on pipe less than 20 inches (508
millimeters) in outside diameter, nor more than 1.11 times the smallest
measurement taken on pipe 20 inches (508) millimeters) or more in
outside diameter.

255.111 Design factor (F) for steel pipe.
(a) Except as otherwise provided in subdivisions (b), (c) and (d) of
this section, the design factor to be used in the design formula in
section 255.105 of this Part is determined in accordance with the
following table:

<table>
<thead>
<tr>
<th>Class</th>
<th>Location</th>
<th>Design Factor (F)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
<td>0.72</td>
</tr>
<tr>
<td>2</td>
<td></td>
<td>0.60</td>
</tr>
<tr>
<td>3</td>
<td></td>
<td>0.50</td>
</tr>
<tr>
<td>4</td>
<td></td>
<td>0.40</td>
</tr>
</tbody>
</table>

(b) A design factor of 0.60 or less must be used in the design formula
in section 255.105 of this Part for steel pipe in Class I locations
that:
(1) crosses, without a casing, the right-of-way of an unimproved
public road;
(2) crosses, without a casing, or makes a parallel encroachment on,
the right-of-way of either a hard surfaced road, a highway, a public
street or a railroad;
(3) is supported by a vehicular, pedestrian, railroad, or pipeline
bridge; or
(4) is used in a fabricated assembly, (including separators, mainline
valve assemblies, cross-connections, and river crossing headers) or is
used within five pipe diameters in any direction from the last fitting
of a fabricated assembly, other than a transition piece or an elbow used in place of a pipe bend which is not associated with a fabricated assembly.

(c) For Class 2 locations, a design factor of 0.50, or less, must be used in the design formula in section 255.105 of this Part for uncased steel pipe that crosses the right-of-way of a hard surfaced road, a highway, a public street, or a railroad.

(d) For Class 1 and Class 2 locations, a design factor of 0.50, or less, must be used in the design formula in section 255.105 of this Part for:

(1) Steel pipe in a compressor station, regulating station, or measuring station; and

(2) Steel pipe, including a pipe riser, on a platform located offshore or in inland navigable waters.

SO DOC 16B-255.113
NYCRR

255.113 Longitudinal joint factor (E) for steel pipe.

(a) The longitudinal joint factor to be used in the design formula in section 255.105 of this Part is determined in accordance with the following table:

<table>
<thead>
<tr>
<th>Specification*</th>
<th>Pipe Class</th>
<th>Longitudinal Joint Factor</th>
</tr>
</thead>
<tbody>
<tr>
<td>ASTM A 53/A 53M</td>
<td>Seamless</td>
<td>1.00</td>
</tr>
<tr>
<td></td>
<td>Electric resistance welded</td>
<td>1.00</td>
</tr>
<tr>
<td></td>
<td>Furnace butt welded</td>
<td>0.60</td>
</tr>
<tr>
<td>ASTM A 106</td>
<td>Seamless</td>
<td>1.00</td>
</tr>
<tr>
<td>ASTM A 211</td>
<td>Spiral welded steel pipe</td>
<td>0.80</td>
</tr>
<tr>
<td>ASTM A 333</td>
<td>Seamless</td>
<td>1.00</td>
</tr>
<tr>
<td></td>
<td>Electric resistance welded</td>
<td>1.00</td>
</tr>
<tr>
<td>ASTM A 381</td>
<td>Double submerged arc welded</td>
<td>1.00</td>
</tr>
<tr>
<td>ASTM A 671</td>
<td>Electric fusion welded</td>
<td>1.00</td>
</tr>
<tr>
<td>ASTM A 672</td>
<td>Electric fusion welded</td>
<td>1.00</td>
</tr>
<tr>
<td>ASTM A 691</td>
<td>Electric fusion welded</td>
<td>1.00</td>
</tr>
<tr>
<td>API Spec 5L</td>
<td>Seamless</td>
<td>1.00</td>
</tr>
<tr>
<td></td>
<td>Electric resistance welded</td>
<td>1.00</td>
</tr>
<tr>
<td></td>
<td>Electric flash welded</td>
<td>1.00</td>
</tr>
<tr>
<td></td>
<td>Submerged arc welded</td>
<td>1.00</td>
</tr>
<tr>
<td></td>
<td>Furnace butt welded</td>
<td>0.60</td>
</tr>
<tr>
<td>Other</td>
<td>Pipe over four inches (102 millimeters)</td>
<td>0.80</td>
</tr>
<tr>
<td></td>
<td>Pipe four inches (102 millimeters) or less</td>
<td>0.60</td>
</tr>
</tbody>
</table>

*As described in section 10.3 of this Title.

(b) If the type of longitudinal joint cannot be determined, the joint factor to be used must not exceed that designated for Other.

SO DOC 16B-255.115
NYCRR

255.115 Temperature derating factor (T) for steel pipe.

(a) The temperature derating factor to be used in the design formula in section 255.105 is determined as follows:

<table>
<thead>
<tr>
<th>Gas Temp. in degrees Fahrenheit (Celsius)</th>
<th>Temperature derating factor (T)</th>
</tr>
</thead>
<tbody>
<tr>
<td>250 (121) or less</td>
<td>1.000</td>
</tr>
<tr>
<td>300 (149)</td>
<td>0.967</td>
</tr>
</tbody>
</table>
For intermediate gas temperatures, the derating factor is determined by interpolation.

(b) The design pressure for plastic pipe is determined by either of the following formulas, subject to the limitations of section 255.123 of this Part:

\[
P = \frac{2St \times DF}{D - t}
\]

\[
P = \frac{2S \times DF}{5DR - 1}
\]

Where:

- **P** = Design pressure, psig (kPa).
- **S** = For thermoplastic pipe, the HDB determined in accordance with the listed specification at a temperature equal to 73°F (23°C), 100°F (38°C), 120°F (49°C), or 140°F (60°C). In the absence of an HDB established at the specified temperature, the HDB of a higher temperature may be used in determining a design pressure rating at the specified temperature by arithmetic interpolation using the procedure in Part E of PPI TR-3 entitled, Policy for Determining Long-Term Strength (LTHS) by Temperature Interpolation, as published in the technical report TR-3 "HDB/PBD/MRS Policies" (as described in section 10.3 of this Title). For reinforced thermosetting plastic pipe, 11,000 psi (75.8 MPa). (Note: Arithmetic interpolation is not allowed for PA-11 pipe.)
- **t** = Specified wall thickness, inches (millimeters).
- **D** = Specified outside diameter, inches (millimeters).
- **SDR** = Standard dimension ratio, the ratio of the average specified outside diameter to the minimum specified wall thickness, corresponding to a value from a common numbering system that was derived from the American National Standards Institute preferred number series 10.
- **DF** = 0.32 or 0.40 for PA-11 pipe produced after January 23, 2009 with nominal size (IPS or CTS) 4-inch or less, and a SDR of 11 or greater (i.e. thicker pipe wall).
the long-term hydrostatic strength used in the design formula under section 255.121 of this Part is determined, except that thermoplastic pipe manufactured before May 18, 1978, may be used at temperatures up to 100µF (38µC); or

(3) in the case of reinforced thermosetting plastic pipe up to 150µF (66µC).

(c) The wall thickness for thermoplastic pipe may not be less than 0.062 inches (1.57 millimeters).

(d) The wall thickness for reinforced thermosetting plastic pipe may not be less than that listed in the following table:

<table>
<thead>
<tr>
<th>Nominal diameter (inches)</th>
<th>Minimum wall thickness (millimeters)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2 (51)</td>
<td>0.060 (1.52)</td>
</tr>
<tr>
<td>3 (76)</td>
<td>0.060 (1.52)</td>
</tr>
<tr>
<td>4 (102)</td>
<td>0.070 (1.78)</td>
</tr>
<tr>
<td>6 (152)</td>
<td>0.100 (2.54)</td>
</tr>
</tbody>
</table>

(e) The design pressure for thermoplastic pipe produced after July 14, 2004, may exceed a gauge pressure of 100 psig (689kPa) provided that:

(1) the design pressure does not exceed 125 psig (862 kPa);

(2) the material is a polyethylene (PE) pipe with the designation code as specified within ASTM D2513-09a (as described in Part 10.3 of this Title);

(3) the pipe size is nominal pipe size (IPS) 12 or less; and

(4) the design pressure is determined in accordance with the design equation defined in section 121 of this Part.

(f) The design pressure for polyamide-11 (PA-11) pipe produced after January 23, 2009 may exceed a gauge pressure of 100 PSIG (689 kPa) provided that:

(1) The design pressure does not exceed 200 PSIG (1379 kPa);

(2) The pipe size is nominal pipe size (IPS or CTS) 4-inch or less; and

(3) The pipe has a standard dimension ratio of SDR-11 or grater (i.e., thicker pipe wall).
facilities, other than overpressure protection.

255.143 General requirements.
(a) Each component of a pipeline must be able to withstand operating pressures and other anticipated loadings without impairment of its serviceability with unit stresses equivalent to those allowed for comparable material in pipe in the same location and kind of service. However, if design based upon unit stresses is impractical for a particular component, design may be based upon a pressure rating established by the manufacturer by pressure testing that component or a prototype of the component.
(b) The design and installation of pipeline components and facilities must meet applicable requirements for corrosion control found in this Part.

255.144 Qualifying metallic components. Notwithstanding any requirement of this Part which incorporates by reference an edition of a document listed in Section 10.3 or Appendix 14B of this Title, a metallic component manufactured in accordance with any other edition of that document is qualified for use under this Part if:
(a) it can be shown through visual inspection of the cleaned component that no defect which might impair the strength or tightness of the component exists; and
(b) the edition of the document under which the component was manufactured has equal or more stringent requirements than an edition of that document currently or previously incorporated by reference (as described in Section 10.3 or Appendix 14B of this Title) for pressure testing, materials, and pressure and temperature ratings.

255.145 Valves.
(a) Except for cast iron and plastic valves, each valve must meet the minimum requirements, or the equivalent, of ANSI/API 6D (as described in section 10.3 of this Title). A valve may not be used under operating conditions that exceed the applicable pressure-temperature ratings contained in those standards.
(b) Each cast iron and plastic valve must comply with the following:
(1) The valve must have a maximum service pressure rating for temperatures that equal or exceed the maximum service temperature.
(2) The valve must be tested as part of the manufacturing, as follows:
   (i) With the valve in the fully open position, the shell must be tested with no leakage to a pressure at least 1.5 times the maximum service rating.
   (ii) After the shell test, the seat must be tested to a pressure not less than 1.5 times the maximum service pressure rating. Except for swing check valves, test pressure during the seat test must be applied successively on each side of the closed valve with the opposite side open. No visible leakage is permitted.
   (iii) After the last pressure test is completed, the valve must be operated through its full travel to demonstrate freedom from interference.
(c) Each valve must be able to meet the anticipated operating conditions.
(d) No valve having shell (body, bonnet, cover, and/or end flange) components made of ductile iron may be used at pressures exceeding 80
percent of the pressure ratings for comparable steel valves at their listed temperature. However, a valve having shell components made of ductile iron may be used at pressures up to 80 percent of the pressure ratings for comparable steel valves at their listed temperature, if:

(1) the temperature-adjusted service pressure does not exceed 1,000 PSIG (6.9 MPa); and

(2) welding is not used on any ductile iron component in the fabrication of the valve shells or their assembly.

(e) No valve having shell (body, bonnet, cover, and/or end flange) components made of cast iron, malleable iron, or ductile iron may be used in the gas pipe components of compressor stations.

255.147 Flanges and flange accessories.

(a) Each flange or flange accessory must meet the minimum requirements of ASME/ANSI B16.5 or MSS SP-44 (as described in section 10.3 of this Title), or the equivalent.

(b) Each flange assembly must be able to withstand the maximum pressure at which the pipeline is to be operated and to maintain its physical and chemical properties at any temperature to which it is anticipated that it might be subjected in service.

(c) Each flange on a flanged joint in cast iron pipe must conform in dimensions, drilling, face and gasket design to ASME/ANSI B16.1 (as described in section 10.3 of this Title) and be cast integrally with the pipe, valve, or fitting.

(d) Bolts or stud-bolts used shall extend completely through the nuts.

255.149 Standard fittings. (a) The minimum metal thickness of threaded fittings may not be less than specified for the pressures and temperatures in the applicable standards referenced in this Part, or their equivalent.

(b) Each steel butt-welded fitting must have pressure and temperature ratings based on stresses for pipe of the same or equivalent material.

(c) The actual bursting strength of the fitting must at least equal the computed bursting strength of pipe of the designated material and wall thickness, as determined by a prototype that was tested to at least the pressure required for the pipeline to which it is being added.

255.150 Passage of internal inspection devices. (a) Except as provided in subdivision (b) of this section, each new transmission line and each pipe section, valve, fitting or other line component of a transmission line that is replaced must be designed and constructed to accommodate the passage of instrumented internal inspection devices.

(b) This section does not apply to:

(1) manifolds;

(2) station piping such as at compressor stations, meter stations, or regulator stations;

(3) piping associated with storage facilities, other than a continuous run of transmission line between a compressor station and storage facilities;

(4) cross-overs;

(5) sizes of pipe for which an instrumented internal inspection device is not commercially available; and

(6) transmission lines, operated in conjunction with a distribution system, which are installed in Class 4 locations.
255.151 Tapping.

(a) Each mechanical fitting used to make a hot tap must be designed for at least the operating pressure of the pipeline.

(b) Where a ductile iron pipe is tapped, the extent of full-thread engagement and the need for the use of outside-sealing service connections, tapping saddles, or other fixtures must be determined by service conditions.

(c) Where the diameter of a threaded tap in cast iron or ductile iron pipe exceeds 25 percent of the nominal diameter of the pipe, the pipe must be reinforced, except that a 1 1/4-inch (32 millimeters) tap may be made in a four-inch (102 millimeters) cast iron or ductile iron pipe, without reinforcement. In cast iron pipe of a nominal diameter of six inches (152 millimeters) or less, all threaded taps for service line connections must be reinforced.

255.153 Components fabricated by welding.

(a) Except for branch connections and assemblies of standard pipe and fittings joined by circumferential welds, the design pressure of each component fabricated by welding, whose strength cannot be determined, must be established in accordance with paragraph UG-101 of the ASME Boiler and Pressure Vessel Code (BPVC) (Section VIII, Division 1) (as described in section 10.3 of this Title).

(b) Each prefabricated unit that uses plate and longitudinal seams must be designed, constructed, and tested in accordance with section 1 of the ASME BPVC (Section VIII, Division 1 or Section VIII, Division 2) (as described in section 10.3 of this Title), except for:

1. manufactured butt-welded fittings;
2. pipe that has been produced and tested under a specification listed in Appendix 14-B of this Title;
3. partial assemblies such as split rings or collars; or
4. prefabricated units that the manufacturer certifies have been tested to at least twice the maximum pressure to which they will be subjected under the anticipated operating conditions.

(c) Orange-peel bull plugs and orange-peel swages may not be used on pipelines that are to operate at a pressure of 125 psig (862 kPa) or more.

(d) Except for flat closures designed in accordance with the ASME BPVC (Section VIII, Division 1 or 2) (as described in section 10.3 of this Title), flat closures and fish tails may not be used on pipe that either operates at 100 psig (689 kPa) or more, or is more than 3 inches (76 millimeters) nominal diameter.

(e) A component having a design pressure established in accordance with subdivision (a) or subdivision (b) of this section and subject to the strength testing requirements of 49 CFR §192.505(b) must be tested to at least 1.5 times the MAOP.

255.155 Welded branch connections.

(a) Each welded branch connection made to pipe in the form of a single connection, or in a header or manifold as a series of connections, must be designed to ensure that the strength of the pipeline system is not reduced, taking into account the stresses in the remaining pipe wall due to the opening in the pipe or header, the shear stresses produced by the pressure acting on the area of the branch opening, and any external
loadings due to thermal movement, weight, and vibration.

(b) The reinforcement required in a welded branch connection shall be
determined by the rule that the metal area available for reinforcement
shall be equal to or greater than the required area as defined in Rules
For Reinforcement Of Welded Branch Connections and examples 1 and 2 in
Appendix 14-G of this Title.

(c) If a reinforcement member is required, and the branch diameter is
such that a localized type of reinforcement member would extend around
more than half the circumference of the header, then a complete
encirclement type of reinforcement member shall be used, regardless of
the design hoop stress, or a smoothly contoured wrought steel tee of
proven design may be used.

255.157 Extruded outlets. Each extruded outlet must be suitable for
anticipated service conditions and must be at least equal to the design
and strength of the pipe and other fittings in the pipeline to which it
is attached.

255.159 Flexibility. Each pipeline must be designed with enough
flexibility to prevent thermal expansion or contraction from causing
excessive stresses in the pipe or components, excessive bending or
unusual loads at joints, or undesirable forces or moments at points of
connection to equipment, or at anchorage or guide points.

255.161 Supports and anchors.

(a) Each pipeline and its associated equipment must have enough
anchorage or support to:

1. prevent undesigned-for strain on connected equipment;
2. resist longitudinal forces caused by a bend or offset in the pipe;
and
3. prevent or damp out excessive vibration.

(b) Each exposed pipeline must have enough support or anchorage to
protect the exposed pipe joints from the maximum end force caused by
internal pressure and any additional forces caused by temperature
expansion or contraction or by the weight of the pipe and its contents.

(c) Each support or anchor on an exposed pipeline must be made of
durable, non-combustible material and must be designed and installed in
compliance with the following:

1. Free expansion and contraction of the pipeline between supports or
anchors may not be restricted.
2. Provision must be made for the service conditions involved.
3. Movement of the pipeline may not cause disengagement of the
support equipment.

(d) Each support on an exposed pipeline operated at a stress level of
50 percent or more of SMYS must comply with the following:

1. A structural support may not be welded directly to the pipe.
2. The support must be provided by a member that completely encircles
the pipe.
3. If an encircling member is welded to a pipe, the weld must be
continuous and cover the entire circumference.

(e) Each underground pipeline that is connected to an unyielding line
or other fixed object must have enough flexibility to provide for
possible movement, or it must have an anchor that will limit the
movement of the pipeline.
(f) Each underground pipeline that is being connected to new branches must have a firm foundation for both the header and the branch to prevent lateral and vertical movement.

255.163 Compressor stations: design and construction.

(a) Each main compressor building of a compressor station must be located on property under the control of the operator. It must be far enough away from adjacent property, not under control of the operator, to minimize the possibility of catching on fire from a conflagration at structures on adjacent property. There must be enough open space around the main compressor building to allow the free movement of firefighting equipment.

(b) Each building on a compressor station site must be made of noncombustible materials if it contains either:

1. pipe more than two inches (51 millimeters) in diameter that is carrying gas under pressure; or
2. gas handling equipment other than gas utilization equipment used for domestic purposes.

(c) Each operating floor of a main compressor building must have at least two separated and unobstructed exits located so as to provide a convenient possibility of escape and an unobstructed passage to a place of safety. Each door latch on an exit must be of a type which can be readily opened from the inside without a key. Each swinging door located in an exterior wall must be mounted to swing outward.

(d) Each fence around a compressor station must have at least two gates located so as to provide a convenient opportunity for escape to a place of safety, or have other facilities affording a similarly convenient exit from the area. Each gate located within 200 feet (61 meters) of any compressor plant building must open outward and, when occupied, must be openable from the inside without a key.

(e) Electrical equipment and wiring installed in compressor stations must conform to the National Electric Code, NFPA-70 (as described in section 10.3 of this Title), so far as that code is applicable.

255.165 Compressor stations: liquid removal.

(a) Where entrained vapors in gas may liquefy under the anticipated pressure and temperature conditions, the compressor must be protected against the introduction of those liquids in quantities that could cause damage.

(b) Each liquid separator used to remove entrained liquids at a compressor station must:

1. have a manually operable means of removing these liquids;
2. have either automatic liquid removal facilities, an automatic compressor shut-down device, or a high liquid level alarm where slugs of liquid could be carried into the compressors; and
3. be manufactured in accordance with section VIII of the ASME Boiler and Pressure Vessel Code (BPVC) (as described in section 10.3 of this Title), and the additional requirements of subdivision (e) of section 255.153 of this Part except that liquid separators constructed of pipe and fittings without internal welding must be fabricated with a design factor of 0.4, or less.

255.167 Compressor stations: emergency shutdown.

Except for unattended field compressor stations of 1,000 horsepower
(746 kilowatts) or less, each compressor station must have an emergency shutdown system that meets the following:

(a) It must be able to block gas out of the station and blow down the station piping.

(b) It must discharge gas from the blow down piping at a location where the gas will not create a hazard.

(c) It must provide means for extinguishing gas fires and for the shutdown of gas compressing equipment, and electrical facilities in the vicinity of gas headers and in the compressor building, except that electrical circuits that supply emergency lighting required to assist station personnel in evacuating the compressor building and the area in the vicinity of the gas headers must remain energized and electrical circuits needed to protect equipment from damage may remain energized.

(d) It must be operable from at least two locations, each of which is:
   (1) outside the gas area of the station;
   (2) near the exit gates, if the station is fenced, or near emergency exits, if not fenced; and
   (3) not more than 500 feet (152.4 meters) from the limits of the station.

(e) If a compressor station supplies gas directly to a distribution system with no other adequate sources of gas available, the emergency shutdown system must be designed so that it will not function at the wrong time and cause an unintended outage on the distribution system.

NYCRR 255.169 Compressor stations: pressure limiting devices. (a) Each compressor station must have pressure relief or other suitable protective devices of sufficient capacity and sensitivity to ensure that the maximum allowable operating pressure of the station piping and equipment is not exceeded by more than 10 percent.

(b) Each vent line that exhausts gas from the pressure relief valves of a compressor station must extend to a location where the gas may be discharged without hazard.

(c) A pressure relief valve shall be installed in the discharge line of each positive-displacement transmission compressor between the gas compressor and the first discharge block valve. The relieving capacity shall be equal to or greater than the capacity of the compressor.

NYCRR 255.171 Compressor stations: additional safety equipment. (a) Each compressor station must have adequate fire protection facilities. If fire pumps are a part of these facilities, their operation may not be affected by the emergency shutdown system.

(b) Each compressor station prime mover, other than an electrical induction or synchronous motor, must have an automatic device to shut down the unit before the speed of either the prime mover or the driven unit exceeds a maximum safe speed.

(c) Each compressor unit in a compressor station must have a shutdown or alarm device that operates in the event of inadequate cooling or lubrication of the unit.

(d) Each compressor station gas engine that operates with pressure gas injection must be equipped so that stoppage of the engine automatically shuts off the fuel and vents the engine distribution manifold.

(e) Each muffler for a gas engine in a compressor station must have vent slots or holes in the baffles of each compartment to prevent gas from being trapped in the muffler.
(f) All fuel gas lines within a compressor station, serving the various buildings and residential areas, shall be provided with master shut-off valves located outside of any building or residential area.

255.173 Compressor stations: ventilation. Each compressor station building must be ventilated to ensure that employees are not endangered by the accumulation of gas in rooms, sumps, attics, pits, or other enclosed places.

255.179 Valves on pipelines to operate at 125 psig (862 kPa) or more. (a) Each pipeline to operate at 125 psig (862 kPa) or more must have sectionalizing block valves spaced according to the following:

(1) Each point on the pipeline in a Class 4 location must be within 1/2 mile (.805 kilometer) of a valve.
(2) Each point on the pipeline in a Class 3 location must be within two miles (3.22 kilometers) of a valve.
(3) Each point on the pipeline in a Class 2 location must be within 3 1/2 miles (5.63 kilometers) of a valve.
(4) Each point on the pipeline in a Class 1 location must be within five miles (8.05 kilometers) of a valve.

(b) Each sectionalizing block valve and operating device on a pipeline to operate at 125 PSIG (862 kPa) or more must:

(1) be readily accessible and protected from tampering and damage; and
(2) be supported to prevent settling of the valve or movement of the pipe to which it is attached.

(c) Each section of a pipeline to operate at 125 PSIG 862 (kPa) or more must have a blow-down valve with enough capacity to allow the line to be blown down as rapidly as practicable or other approved means to reduce the pressure.

(d) Each blow-down discharge must be located so the gas can be blown to the atmosphere without hazard and, if the line is adjacent to an overhead electric line, so that the gas is directed away from the electrical conductors.

255.181 Distribution line valves.

(a) Each high pressure distribution system must have valves spaced so as to reduce the time to shut down a section of main in an emergency. The valve spacing is determined by the operating pressure, the size of the mains, and the local physical conditions as well as the number and type of consumers that might be affected by a shutdown.

(b) Each regulator station controlling the flow or pressure of gas in a distribution system must have a valve installed on the inlet piping at a distance from the regulator station sufficient to permit the operation of the valve during an emergency.

(1) Such distance must be at least 50 feet (15.2 meters) but no more than 1,000 feet (304.8 meters) from the regulator.

(2) Under unique circumstances which make it impractical to locate the valve at least 50 feet (15.2 meters) from the regulator, a lesser, approved spacing may be used.

(c) Except for single feed systems, regulator stations reducing the pressure from pounds to pounds must also have an emergency valve installed on the station's outlet piping in compliance with paragraphs (b) (1) and (2) of this section.

(d) Each valve on a main installed for operating or emergency purposes
must:

(1) be placed in a readily accessible location so as to facilitate its operation in an emergency;

(2) have an operating stem or mechanism that is readily accessible; and

(3) if the valve is installed in a buried box or enclosure, be installed so as to avoid transmitting external loads to the main.

(e) Each station bypass valve or valve that separates systems operating at different pressures must be identified to prevent unauthorized or inadvertent operation, or be equipped with a device designed to prevent unauthorized operation.

- SO DOC 16B-255.183

255.183 Vaults: structural design requirements.

(a) Each underground vault or pit for valves, pressure relieving, pressure limiting, or pressure regulating equipment, must be able to meet the loads which may be imposed upon it, and to protect installed equipment.

(b) There must be enough working space so that all of the equipment required in the vault or pit can be properly installed, operated, and maintained.

(c) Each pipe entering, or within, a regulator vault or pit must be steel for sizes 10 inches (254 millimeters) and less, except that control and gauge piping may be copper. Where pipe extends through the vault or pit structure, provision must be made to prevent the passage of gasses or liquids through the opening and to avert strains in the pipe.

(d) In the design of vaults and pits for pressure limiting, pressure relieving, and pressure regulating equipment, consideration shall be given to the protection of the installed equipment from damage, such as that resulting from an explosion within the vault or pit, which may cause portions of the roof or cover to fall into the vault.

(e) Vault or pit openings shall be located so as to minimize the hazards of tools or other objects falling upon the regulator, piping, or other equipment. The control piping and the operating parts of the equipment installed shall not be located under a vault or pit opening where workmen can step on them when entering or leaving the vault or pit, unless such parts are suitably protected.

(f) Whenever a vault or pit opening is to be located above equipment which could be damaged by a falling cover, a circular cover shall be installed or other suitable precautions taken.

- SO DOC 16B-255.185

255.185 Vaults: accessibility. Each vault must be located in an accessible location and, so far as practical, away from:

(a) street intersections or points where traffic is heavy or dense;

(b) points of minimum elevation, catch basins, or places where the access cover will be in the course of surface waters; and

(c) water, electric, steam or other facilities.

- SO DOC 16B-255.187

255.187 Vaults: sealing, venting and ventilation.

(a) Each underground vault or closed top pit containing either a pressure regulating or reducing station, or a pressure limiting or relieving station, must be sealed, vented or ventilated.

(b) When the internal volume exceeds 200 cubic feet (5.66 cubic meters), each of the following apply:

(1) The vault or pit must be ventilated with two ducts, each having at
least the ventilating effect of a pipe four inches (102 millimeters) in diameter.

(2) The ventilation must be enough to minimize the formation of combustible atmosphere in the vault or pit.

(3) The ducts must be high enough above grade to disperse any gas-air mixtures that might be discharged.

(c) When the internal volume is more than 75 cubic feet (2.12 cubic meters) but less than 200 cubic feet (5.66 cubic meters), the following apply:

(1) If the vault or pit is sealed, each opening must have a tight-fitting cover without open holes through which an explosive mixture might be ignited, and there must be a means for testing the internal atmosphere before removing the cover.

(2) If the vault or pit is vented, there must be a means of preventing external sources of ignition from reaching the vault atmosphere.

(3) If the vault or pit is ventilated, subdivision (b) or (d) of this section applies.

(d) If a vault or pit covered by subdivision (c) of this section is ventilated by openings in the covers or gratings and the ratio of the internal volume, in cubic feet, to the effective ventilating area of the cover or grating, in square feet, is less than 20 to 1, no additional ventilation is required.

255.189 Vaults: drainage and waterproofing. (a) Each vault must be designed so as to minimize the entrance of water. Nevertheless, vault equipment shall be designed to operate safely, if submerged.

(b) A vault containing gas piping may not be connected by means of a drain connection to any other underground structure.

(c) All electrical equipment in vaults must conform to the applicable requirements of Class 1, Group D, of the National Electrical Code, NFPA 70 (as described in section 10.3 of this Title).

255.190 Calorimeter or calorimixer structures. (a) Unmanned structures housing calorimeters or calorimixers shall be designed so that the egress shall be directly to and from the outside, and all air movements shall be directly to and from the outside atmosphere. All associated devices which may vent gas shall be vented through piping to the outside atmosphere.

(b) Unmanned rooms with such gas burning equipment shall be equipped with sensing devices which provide for both the automatic shutdown of the gas supply to such rooms and the signalling of an alarm at a continuously manned post. All alarms shall be immediately investigated.

(c) Combustible material associated with such gas-burning equipment shall be stored safely, and in a manner which separates them from sources of ignition.

255.191 Design pressure of plastic fittings.

(a) Thermosetting fittings for plastic pipe must conform to ASTM D 2517 (as described in section 10.3 of this Title).

(b) Thermoplastic fittings for plastic pipe must conform to ASTM D 2513 for plastic materials other than polyethylene or ASTM D 2513-09a for polyethylene plastic materials (as described in section 10.3 of this Title).

(c) The design pressure of polyvinyl chloride (PVC) Schedules-40 and
80 thermoplastic fittings must be obtained from the following table:

<table>
<thead>
<tr>
<th>Size (inches)</th>
<th>Schedule</th>
<th>PVC Type II Class Location</th>
<th>PVC Type I Class Location</th>
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<td>89</td>
<td>70</td>
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Note: These pressure ratings are the same value as the design pressure of the corresponding pipe size and schedule in the same class location, as determined by the formula given in section 255.121 of this Part and the limitations of section 255.123.

255.193 Valve installation in plastic pipe. Each valve installed in plastic pipe must be designed so as to protect the plastic material against excessive torsional or shearing loads when the valve or shut-off is operated, and from any other secondary stresses that might be exerted through the valve or its enclosure.

255.194 Scope.

Sections 255.195 through 255.203 of this Part prescribe the minimum requirements for the design and installation of overpressure protection devices.

255.195 Protection against accidental overpressuring. (a) Except as provided in section 255.197 of this Part, each pipeline that is connected to a gas source so that the maximum allowable operating pressure could be exceeded as the result of pressure control failure or of some other type of failure, must have pressure relieving or pressure limiting devices that meet the requirements of sections 255.199 and 255.201 of this Part.
(b) Additionally, each distribution system that is supplied from a source of gas that is at a higher pressure than the maximum allowable operating pressure for the system must:

(1) have pressure regulation devices capable of meeting the pressure, load, and other service conditions that will be experienced in normal operation of the system; and that could be activated in the event of failure of some portion of the system; and

(2) be designed so as to prevent accidental overpressuring.

NYCRR 255.197 Control of the pressure of gas delivered from high pressure distribution systems.

(a) If the maximum actual operating pressure of the distribution system is 60 psig (414 kPa) or less and a service regulator having the following characteristics is used, no other pressure limiting device is required.

(1) The regulator is capable of reducing distribution line pressure to pressures recommended for household appliances.

(2) It has a single port valve with proper orifice for the maximum gas pressure at the regulator inlet.

(3) The valve seat is made of resilient material designed to withstand abrasion by the gas, impurities in gas, cutting by the valve, and also to resist permanent deformation when it is pressed against the valve port.

(4) The pipe connections to the regulator do not exceed two inches (51 millimeters) in diameter.

(5) The regulator, under normal operating conditions, is able to regulate the downstream pressure within the necessary limits of accuracy and to limit the build-up of pressure under no-flow conditions to prevent a pressure that would cause the unsafe operation of any connected and properly adjusted gas utilization equipment.

(6) The regulator is self-contained with no external static or control lines.

(7) The regulator is of a type including a relief valve which is vented to the atmosphere with the relief valve set to open so that the pressure of the gas going to the customer does not exceed the maximum safe pressure as established by this Part.

(b) If the maximum actual operating pressure of the distribution system is 60 psig (414 kPa) or less, and a service regulator is used that does not have all of the characteristics listed in subdivision (a) of this section or if the gas contains materials that seriously interfere with the operation of service regulators, there must be suitable protective devices to prevent unsafe overpressuring of the customer's appliances if the service regulator fails.

(c) If the maximum actual operating pressure of the distribution system exceeds 60 psig (414 kPa), unless higher pressure is needed by the customer or it is impractical or unsafe to regulate the pressure outside, one of the following methods must be used to regulate and limit the pressure of gas delivered to the customer.

(1) A service regulator having the characteristics listed in subdivision (a) of this section, and another regulator located upstream from the service regulator. The upstream regulator may not be set to maintain a pressure higher than 60 psig (414 kPa). A device must be installed between the upstream regulator and the service regulator to limit the pressure on the inlet of the service regulator to 60 psig (414
kPa) or less in case the upstream regulator fails to function properly. This device may be either a relief valve or an automatic shut-off that closes if the pressure on the inlet of the service regulator exceeds the set pressure (60 psig (414 kPa) or less), and remains closed until manually reset.

(2) A service regulator and a monitoring regulator set to limit, to a maximum safe value, the pressure of the gas delivered to the customer.

(3) A service regulator with a relief valve set to open so that the pressure of gas going to the customer does not exceed a maximum safe value. The relief valve may either be built into the service regulator or it may be a separate unit installed downstream from the service regulator. Either of these combinations may be used alone only in those cases where the inlet pressure on the service regulator does not exceed the manufacturer's safe working pressure rating of the service regulator, and may not be used where the inlet pressure on the service regulator exceeds 125 psig (862 kPa). For higher inlet pressure, the methods in paragraph (1) or (2) of this subdivision must be used.

(4) A service regulator and an automatic shut-off device that closes upon a rise in pressure downstream from the regulator and remains closed until manually reset.

(5) Any service line operating at 125 psig (862 kPa) or more serving customers requiring regulation of the line pressure is to be equipped with either an excess flow valve or must have the first stage regulator located at least 50 feet (15.2 meters) from the building or, if 50 feet (15.2 meters) cannot be attained without entering the roadway, located at the property line.

NYCRR 255.199 Requirements for design of pressure relief and limiting devices.

(a) Except for rupture discs, each pressure relief or pressure limiting device must:

(1) be constructed of materials such that the operation of a device will not be impaired by corrosion;

(2) have valves and valve seats that are designed not to stick in a position that will make the device inoperative;

(3) be designed and installed so that it can be readily operated to determine if the valve is free, can be tested to determine the pressure at which it will operate, and can be tested for leakage when in the closed position;

(4) have its support made of noncombustible material;

(5) have discharge stacks, vents, or outlet ports designed to prevent accumulation of water, ice, or snow, located where gas can be discharged into the atmosphere without undue hazard;

(6) be designed and installed so that the size of the opening, pipe, and fittings located between the system to be protected and the pressure-relieving device, and the size of the vent line, are adequate to prevent hammering of the valve and to prevent impairment of relief capacity;

(7) where installed at a district regulator station to protect a pipeline system from overpressuring, be designed and installed in compliance with subdivision (b) of this section to prevent any single incident such as an explosion in a vault or damage by a vehicle from affecting the operation of both the overpressure protection device and the district regulator;
(8) except for a valve that will isolate the system under protection from its source of pressure be designed to prevent unauthorized operation of any stop valve that will make the pressure relief valve or pressure-limiting device inoperative; and

(9) where gas pressures are reduced in two or more stages to supply pipelines except field regulators, be designed and installed in compliance with subdivision (b) of this section so that any single incident in one stage will not adversely affect another stage.

(b) For new installations, and for existing above ground stations supplying low-pressure pipelines, the minimum separation distance between the overpressure protection device and the regulator or between stages of regulation shall be:

(1) 50 feet (15.2 meters); or

(2) where it is impracticable because of interfering subsurface structures, not less than 25 feet (7.6 meters) upon approval of the Department.

(c) The requirements contained in subdivision (b) of this section do not apply to those existing stations which, due to their locations or other station protection design features, are adequately protected against any credible single incident affecting the operation of both the overpressure protection device and the district regulator, or which supply integrated distribution systems employing multiple overpressure protection devices of sufficient capacity to prevent overpressuring of the distribution system.

(d) Notwithstanding the installation date or the retroactivity provided by section 255.2(a) of this Part, when overpressure protection is provided by a monitor regulator, a means must be provided to verify that the regulator is functioning properly.

255.201 Required capacity of pressure relieving and limiting stations.

(a) Each pressure-relief or pressure-limiting station or group of stations installed in a low pressure distribution system must have enough capacity, and must be set to operate, to ensure that the pressure may not cause the unsafe operation of any connected and properly adjusted gas utilization equipment.

(b) Each pressure-relief or pressure-limiting station or group of stations installed in pipelines other than low-pressure distribution systems must have enough capacity, and must be set to operate to limit the pressure according to the following paragraphs.

(1) If the maximum allowable operating pressure is 60 PSIG (414 kPa) or more, the pressure may not exceed the maximum allowable operating pressure plus 10 percent, or the pressure that produces a hoop stress of 75 percent of SMYS, whichever is lower.

(2) If the maximum allowable operating pressure is 12 PSIG (83 kPa) or more, but less than 60 PSIG (414 kPa), the pressure may not exceed the maximum allowable operating pressure plus 6 PSIG (41.4 kPa).

(3) If the maximum allowable operating pressure is less than 12 PSIG (83 kPa), the pressure may not exceed the maximum allowable operating pressure plus 50 percent.

(c) When more than one pressure-regulating or compressor station feeds into a pipeline, relief valves or other protective devices must be installed at each station to ensure that the complete failure of the largest capacity regulator or compressor, or any single run of lesser capacity regulators or compressors in that station, will not impose
pressures on any part of the pipeline or distribution system in excess of those for which it was designed, or against which it was protected, whichever is lower.

(d) Relief valves or other pressure-limiting devices must be installed at or near each regulator station in a low-pressure distribution system, with a capacity to limit the maximum pressure in the main to two PSIG (14 kPa).

255.203 Instrument, control and sampling piping and components.

(a) This section applies to the design of instrument, control, and sampling piping and components. It does not apply to permanently closed systems, such as fluid-filled temperature-responsive devices.

(b) All materials employed for pipe and components must be designed to meet the particular conditions of service and the following paragraphs:

1. Each takeoff connection and attaching boss, fitting, or adapter must be made of material suitable to withstand the maximum service pressure and temperature of the pipe or equipment to which it is attached, and be designed to satisfactorily withstand all stresses without failure by fatigue.

2. Except for takeoff lines that can be isolated from sources of pressure by other valuing, a shut-off valve must be installed in each takeoff line as near as practicable to the point of takeoff. Blow-down valves must be installed where necessary.

3. Brass or copper material may not be used for metal temperatures greater than 400µF (204µC).

4. Pipe or components that may contain liquids must be protected by heating or other means from damage due to freezing.

5. Pipe or components in which liquids may accumulate must have drains or drips.

6. Pipe or components subject to clogging from solids or deposits must have suitable connections for cleaning.

7. The arrangement of pipe, components, and supports must provide safety under anticipated operating stresses.

8. Each joint between sections of pipe, and between pipe and valves or fittings, must be made in a manner suitable for the anticipated pressure and temperature condition. Slip type expansion joints may not be used. Expansion must be allowed for by providing flexibility within the system itself.

9. Each control line must be protected from anticipated causes of damage and must be designed and installed to prevent damage to any one control line from making both the regulator and the over-pressure protective device inoperative.

255.221 Scope.

(a) Sections 255.225 through 255.245 of this Part prescribe minimum requirements for welding steel materials in pipelines.

(b) These sections do not apply to welding that occurs during the manufacture of steel pipe or steel pipeline components.

255.225 Qualification of welding procedures.

(a) Welding must be performed by a qualified welder or welding operator in accordance with welding procedures qualified under section 5, section 12, Appendix A or Appendix B of API Standard 1104 (as described in section 10.3 of this Title), or section IX of the ASME
Boiler and Pressure Vessel Code (ASME BPVC) (as described in section 10.3 of this Title) to produce welds meeting the requirements of this subpart. The quality of the test welds used to qualify welding procedures shall be determined by destructive testing in accordance with the applicable welding standard(s).

The quality of the test welds used to qualify welding procedures shall be determined by destructive testing in accordance with the referenced welding standard(s).

(b) Each welding procedure must be recorded in detail, including the results of the qualifying tests. This record must be retained and followed whenever the procedure is used.

255.227 Qualification of welders.

(a) Except as provided in subdivision (b) of this section, each welder or welding operator must be qualified in accordance with section 6, section 12, Appendix A or Appendix B of API Standard 1104 (as described in section 10.3 of this Title), or section IX of the ASME Boiler and Pressure Vessel Code (ASME BPVC) (as described in section 10.3 of this Title). However, a welder or welding operator qualified under an earlier edition than listed in section 10.3 of this Title may weld but may not requalify under that earlier edition.

(b) A welder may qualify to perform welding on pipe to be operated at a pressure of less than 125 PSIG (862 kPa) by performing an acceptable test weld, for the welding process to be used, under the test set forth in section I of Appendix 14-F of this Title. Each welder who is to make a welded service line connection to a main must first perform an acceptable test weld under section II of Appendix 14-F of this Title as a requirement of the qualifying test.

255.229 Limitations on welders.

(a) No welder or welding operator whose qualification is based on nondestructive testing may weld compressor station pipe and components.

(b) No welder or welding operator may weld with a particular welding process unless, within the preceding 6 calendar months, he has engaged in welding with that process.

(c) A welder qualified under subdivision 255.227(a) of this Part:

(1) may not weld on pipe to be operated at a pressure of 125 psig or more unless within the preceding six calendar months the welder has had one weld tested and found acceptable under section 6, 9, 12 or Appendix A of API Std 1104 (as described in section 10.3 of this Title). Alternatively, welders or welding operators may maintain an ongoing qualification status by performing welds tested and found acceptable under the above acceptance criteria at least twice each calendar year, but at intervals not exceeding 7 1/2 months. A welder or welding operator qualified under an earlier edition of a standard listed in section 10.3 of this Title may weld, but may not requalify under that earlier edition; and

(2) may not weld on pipe to be operated at a pressure less than 125 psig unless the welder or welding operator is tested in accordance with paragraph (c)(1) of this section or re-qualifies under paragraph (d)(1) or (d)(2) of this section.

(d) A welder qualified under subdivision 255.227(b) of this Part may not weld unless:

(1) within the preceding 15 calendar months, the welder has
requalified, except that the welder or welding operator must requalify at least once each calendar year; or

(2) within the preceding 7 1/2 calendar months, but at least twice each calendar year, the welder or welding operator has had:
   (i) a production weld cut out, tested and found acceptable in accordance with the qualifying test; or
   (ii) a production weld tested and found acceptable under section 6 of API Standard 1104 (as described in section 10.3 of this Title); or
   (iii) for welders who work only on service lines two inches (51 millimeters) or smaller in diameter, two sample welds tested and found acceptable in accordance with the test in section III of Appendix 14-F to this Title.

(e) Welder requalification tests shall be required if there is good cause to question a welder's ability.

255.230 Quality assurance program. (a) Each operator shall conduct an unannounced spot check of each welder's field welds at least once each calendar year to assess the quality of welding. Such spot checks shall include destructive or nondestructive tests of a field weld. Should an unannounced spot check of a welder identify unacceptable welds, a follow-up unannounced spot check shall be conducted within three months or as soon as possible thereafter.

(b) A field weld chosen during the unannounced spotcheck may be used to maintain the welder's qualification if tested and found acceptable under section 3 or 6 of API Standard 1104 (as described in section 10.3 of this Title) for welders qualified under section 255.227(a) of this Part.

(c) In the case of welders qualified under section 255.227(b) of this Part, the spot check must follow the test procedures set forth in Appendix 14-F of this Title.

(d) This unannounced test may be used to satisfy the requirement to have a weld tested during the six months preceding welding as required in section 255.229(c) or (d) (2) of this Part.

255.231 Protection from weather. The welding operation must be protected from weather conditions that would impair the quality of the completed weld.

255.233 Miter joints. (a) A miter joint on steel pipe to be operated at a pressure that produces a hoop stress of 30 percent or more of SMYS may not deflect the pipe more than three degrees.

(b) A miter joint on steel pipe to be operated at a pressure that produces a hoop stress of less than 30 percent, but more than 10 percent, of SMYS may not deflect the pipe more than 12 1/2 degrees and must be a distance equal to one pipe diameter or more away from any other miter joint, as measured from the crotch of each joint.

(c) A miter joint on steel pipe to be operated at a pressure that produces a hoop stress of 10 percent or less of SMYS may not deflect the pipe more than 90 degrees.

255.235 Preparation for welding. (a) Before beginning any welding, the welding surfaces must be clean and free of any material that may be detrimental to the weld, and the pipe or component must be aligned to provide the most favorable condition for depositing the root bead. This
alignment must be preserved while the root bead is being deposited.

(b) See Appendix 14-J of this Title for acceptable preparation for butt welding pipe of unequal thicknesses.

255.241 Inspection and test of welds.

(a) Visual inspection of welding must be conducted by an individual qualified by appropriate training and experience to ensure that the welding is performed in accordance with the welding procedure and the weld is acceptable under subdivision (c) of this section.

(b) The butt welds on each pipeline with a nominal diameter greater than two inches (51 millimeters) to be operated at 125 PSIG (862 kPa) or more must be nondestructively tested in accordance with section 255.243 of this Part.

(c) The acceptability of a weld that is nondestructively tested or visually inspected is determined according to the standards in section 9 or Appendix A of API Standard 1104 (as described in section 10.3 of this Title). However, if a girth weld is unacceptable under those standards for a reason other than a crack, and if the Appendix A to API Std 1104 applies to the weld, the acceptability of that weld may be further determined under that Appendix.

255.243 Nondestructive testing-pipeline to operate at 125 PSIG (862 kPa) or more.

(a) Nondestructive testing of welds must be performed by any process, other than trepanning, that will clearly indicate defects that may affect the integrity of the weld.

(b) Nondestructive testing of welds must be performed in accordance with written procedures and by persons who have been trained and qualified in the established procedures and with the equipment employed in testing.

(c) Procedures must be established for the proper interpretation of each nondestructive test of a weld to ensure the acceptability of the weld under section 255.241(c) of this Part.

(d) The following percentages of each day's field butt welds, selected at random by the operator, must be nondestructively tested over their entire circumference:

(1) in Class 1 locations, at least 10 percent;
(2) in Class 2 locations, at least 15 percent;
(3) in Class 3 and Class 4 locations, 100 percent;
(4) in Class 1 or 2 locations at crossings of major or navigable rivers, at crossings of major roads, and within railroad or public highway rights-of-way, including tunnels, bridges, and overhead road crossings, 100 percent; and
(5) at pipeline tie-ins, including tie-ins of replacement sections, 100 percent.

(e) Except for a welder or welding operator whose work is isolated from the principal welding activity, a sample of each welder's work for each day must be nondestructively tested.

(f) Each operator must retain, for the life of the pipeline, a record showing by milepost, engineering station, or by geographic feature, the number of girth welds made, the number nondestructively tested, the number rejected, and the disposition of the rejects.

255.244 Welding inspector.
(a) No person may carry out the inspection of joints in welded pipelines required by sections 255.241 and 255.243 of this Part unless that person has been qualified by appropriate training or experience in evaluating the acceptability of welded joints per the requirements of section 6, Standards of Acceptability, of API Standard 1104 (as described in section 10.3 of this Title).

(b) Each gas corporation shall establish, and keep on file for inspection, the methods it uses to verify the qualifications of each technician responsible for the interpretation of each nondestructive test of a weld.

(c) When inspecting pipelines to be operated at 125 PSIG (862 kPa) or more, a welder may not inspect his own welds for the purpose of determining the acceptability of the welds as required by section 255.241 of this Part.

§ 255.245 Repair or removal of defects.

(a) Each weld that is unacceptable under section 255.241 (c) must be removed or repaired. A weld must be removed if it has a crack that:

(1) is more than eight percent of the weld length or two inches (51 millimeters) in length whichever is less; or

(2) penetrates either the root or second bead.

(b) Each weld that is repaired must have the defect removed down to sound metal and the segment to be repaired must be preheated if conditions exist which would adversely affect the quality of the weld repair. After repair, the segment of the weld that was repaired must be inspected to ensure its acceptability. Repairs on pipelines to operate at 125 PSIG (862 kPa) or more must be nondestructively inspected and meet the standards in section 6 of API Standard 1104 (as described in section 10.3 of this Title).

(c) If the repair is not acceptable, the weld must be removed.

§ 255.271 Scope.

(a) Sections 255.273 through 255.287 of this Part prescribe minimum requirements for joining materials in pipelines, other than by welding.

(b) These sections do not apply to joining during the manufacture of pipe or pipeline components.

§ 255.273 Copper pipe.

(a) Copper pipe may not be butt welded or threaded, except that copper pipe used for joining screw fittings or valves may be threaded if the wall thickness is equivalent to the comparable size of standard wall pipe.

(b) The filler material used for brazing shall be a copper-phosphorous or silver base alloy.

§ 255.279 Copper pipe. (a) Copper pipe may not be butt welded or threaded, except that copper pipe used for joining screw fittings or valves may be threaded if the wall thickness is equivalent to the comparable size of standard wall pipe.
Plastic pipe. (a) A plastic pipe joint that is joined by solvent cement, adhesive or heat fusion may not be disturbed until it has properly set.

(b) Plastic pipe may not be joined by a threaded joint or miter joint.

(c) The quality of the joints shall be checked visually. If there is any reason to believe the joint is defective, it shall be removed and replaced.

(d) Each solvent cement joint on plastic pipe must comply with the following criteria:
   (1) The mating surfaces of the joint must be clean, dry, and free of material which might be detrimental to the joint.
   (2) The solvent cement must conform to ASTM Specification D2513 (as described in section 10.3 of this Title).
   (3) The safety requirements of Appendix A of ASTM Specification D2513 (as described in section 10.3 of this Title) must be met.
   (4) The joint may not be heated to accelerate the setting of the cement.

(e) Each heat-fusion joint on plastic pipe must comply with the following criteria:
   (1) A butt heat-fusion joint must be joined by a device that holds the heater element square to the ends of the piping, compresses the heated ends together, and holds the piping in proper alignment while the plastic hardens.
   (2) A socket heat-fusion joint must be joined by a device that heats the mating surfaces of the joint uniformly and simultaneously to essentially the same temperature.
   (3) An electrofusion joint must be joined utilizing the equipment and techniques of the fittings manufacturer or equipment and techniques shown, by testing joints to the requirements of section 255.283(a) (1) (iii) of this Part, to be at least equivalent to those of the fitting manufacturer.
   (4) Heat may not be applied with a torch or other open flame.

(f) Each adhesive joint on plastic pipe must comply with the following criteria:
   (1) The adhesive must conform to ASTM Specification D2517 (as described in section 10.3 of this Title).
   (2) The materials and adhesive must be compatible with each other.

(g) Each compression type mechanical joint on plastic pipe must comply with the following criteria:
   (1) The gasket material in the coupling must be compatible with the plastic.
   (2) A rigid internal tubular stiffener, other than a split tubular stiffener, must be used in conjunction with the coupling.
D2513-09a for polyethylene plastic materials (as described in section 10.3 of this Title); or

(ii) in the case of thermosetting plastic pipe, paragraph 8.5 (Minimum Hydrostatic Burst Pressure) or paragraph 8.9 (Sustained Static Pressure Test) of ASTM Specification D2517 (as described in section 10.3 of this Title).

(iii) in the case of electrofusion fittings for polyethylene (PE) pipe and tubing, paragraph 9.1 (Minimum Hydraulic Burst Pressure Test), paragraph 9.2 (Sustained Pressure Test), paragraph 9.3 (Tensile Strength Test), or paragraph 9.4 (Joint Integrity Tests) of ASTM F1055 (as described in section 10.3 of this Title).

(2) For procedures intended for lateral pipe connections, subject a specimen joint made by pipe sections joined at right angles according to the procedure to a force on the lateral pipe until failure occurs in the specimen. If failure initiates outside the joint area, the procedure qualifies for use.

(3) For procedures intended for nonlateral pipe connections, follow the tensile test requirements of ASTM Specification D638 (as described in section 10.3 of this Title), except that the test may be conducted at ambient temperature and humidity. If the specimen elongates no less than 25 percent or failure initiates outside the joint area, the procedure qualifies for use.

(b) Before any written procedure established under section 255.273(b) of this Part is used for making mechanical plastic pipe joints that are designed to withstand tensile forces, the procedure must be qualified by subjecting five specimen joints made according to the procedure to the following tensile test criteria:

(1) Use an apparatus for the test as specified in ASTM Specification D638 (as described in section 10.3 of this Title) (except for conditioning).

(2) The specimen must be of such length that the distance between the grips of the apparatus and the end of the stiffener does not affect the joint strength.

(3) The speed of testing is 0.20 inches (5.1 millimeters) per minute, plus or minus 25 percent.

(4) Pipe specimens less than four inches (102 millimeters) in diameter are qualified if the pipe yields to an elongation of no less than 25 percent or failure initiates outside the joint area.

(5) Pipe specimens four inches (102 millimeters) and larger in diameter shall be pulled until the pipe is subjected to a tensile stress equal to or greater than the maximum thermal stress that would be produced by a temperature change of 100µF (38µC) or until the pipe is pulled from the fitting. If the pipe pulls from the fitting, the lowest value of the five test results or the manufacturer's rating, whichever is lower, must be used in the design calculations for stress.

(6) Each specimen that fails at the grips must be retested using new pipe.

(7) Results obtained pertain only to the specific outside diameter, and material of the pipe tested, except that testing of a heavier wall pipe may be used to qualify pipe of the same material but with a lesser wall thickness.

(c) A copy of each written procedure being used for joining plastic pipe must be available to the persons making and inspecting joints.

(d) Pipe or fittings manufactured before July 1, 1980, may be used in
accordance with procedures that the manufacturer certifies will produce a joint as strong as the pipe.

255.285 Plastic pipe: qualifying persons to make joints.
   (a) No person may make a plastic pipe joint unless that person has been qualified under the applicable joining procedure by:
   (1) appropriate training or experience in the use of the procedure; and
   (2) making a specimen joint from pipe sections joined according to the procedure that passes the inspection and test set forth in subdivisions (b) and (c) of this section.
   (b) The specimen joint must be visually examined during and after assembly or joining and found to have the same appearance as a joint or photographs of a joint that is acceptable under the procedure.
   (c) Additionally, in the case of a heat fusion, solvent cement, or adhesive joint, the joint must be:
      (1) tested under any one of the test methods listed under section 255.283(a) of this Part applicable to the type of joint and material being tested; or
      (2) examined by ultrasonic inspection and found not to contain flaws that would cause failure; or
      (3) cut into at least three longitudinal straps, each of which is visually examined and found not to contain voids or discontinuities on the cut surfaces of the joint area and deformed by bending, torque, or impact, and if failure occurs, it must not initiate in the joint area.
   (d) A person must be requalified under an applicable procedure once each calendar year at intervals not exceeding 15 months, or after any production joint is found unacceptable by testing under section 255.507 or 255.511 of this Part, by inspection by other than the joiner, or a combination of both.
   (e) Each operator shall establish a method to determine that each person making joints in plastic pipelines is qualified in accordance with this section.

255.287 Plastic pipe: inspection of joints. No person may carry out the inspection of joints in plastic pipes required by sections 255.273 (c) and 255.285 (b) of this Part unless that person has been qualified by appropriate training or experience in evaluating the acceptability of plastic pipe joints made under the applicable joining procedure.

255.301 Scope.
Sections 255.302 through 255.327 of this Part prescribe minimum requirements for constructing transmission lines and mains.

255.302 Notification requirements.
   (a) At least 30 days prior to the start of construction or reconstruction of any transmission line or main designed to operate at 125 PSIG (862 kPa) or more, each operator shall file a letter of intent and a report of specifications identical with Form A of Appendix 7-D of this Title. The letter of intent need not include said specifications where the length of the line is less than the following:

<table>
<thead>
<tr>
<th>Class location</th>
<th>Length</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class 1</td>
<td>1,000 feet (304.8 meters)</td>
</tr>
<tr>
<td>Class 2</td>
<td>500 feet (152.4 meters)</td>
</tr>
</tbody>
</table>
(b) Before any pipeline designed to operate at 125 PSIG (862 kPa) or more is placed in operation, a report shall be filed certifying the maximum allowable operating pressure to which the line is intended to be subjected and also certifying that the line has been constructed and tested in accordance with the requirements of the rules herein prescribed.

255.305 Inspection: general. (a) Each transmission line and main must be inspected during construction to ensure that it is constructed in accordance with this Part.

(b) Inspections shall be made at sufficiently frequent intervals to assure the required quality of workmanship.

(c) Inspectors shall be qualified by either experience or training and shall have the authority to order the repair or removal and replacement of any component that fails to meet the standards of this Part.

(d) The operator shall maintain a current list of designated inspectors.

255.307 Inspection of materials. Each length of pipe and each other component must be visually inspected at the site of installation to ensure that it has not sustained any visually determinable damage that could impair its serviceability. These inspections must be made:

(a) prior to the coating operation for field coated pipe; and

(b) as the pipe is lowered into the ditch.

255.309 Repair of steel pipe.

(a) Each imperfection or damage that impairs the serviceability of the length of steel pipe must be repaired or removed.

(b) If a repair is made by grinding, the remaining wall thickness must at least be equal to either:

(1) the minimum thickness required by the tolerances in the specification to which the pipe was manufactured; or

(2) the nominal wall thickness required for the design pressure of the pipeline.

(c) Each of the following dents must be removed from steel pipe to be operated at a pressure of 125 PSIG (862 kPa) or more, unless the dent is repaired by a method that reliable engineering tests and analyses show can permanently restore the serviceability of the pipe:

(1) a dent that contains a stress concentrator such as a scratch, gouge, groove or arc burn;

(2) a dent that affects a longitudinal weld or a circumferential weld;

(3) a dent that has a depth of more than one-quarter inch (6.4 millimeters) in pipe 12 3/4 inches (324 millimeters) or less in outer diameter; or

(4) a dent that has a depth of more than two percent of the nominal
pipe diameter in pipe over 12 3/4 inches (324 millimeters) in outer diameter.

(d) For the purpose of this section, a dent is a depression that produces a gross disturbance in the curvature of the pipe wall without reducing the pipewall thickness. The depth of a dent is measured as the gap between the lowest point of the dent and a prolongation of the original contour of the pipe.

(e) Each arc burn on steel pipe to be operated at a pressure of 125 PSIG (862 kPa) or more must be repaired or removed.

(f) Complete removal of the metallurgical notch created by an arc burn can be determined by grinding away the visible evidence of the arc burn and then swabbing the ground area with a 20 percent solution of ammonium persulfate. A blackened spot is evidence of a metallurgical notch and indicates that additional grinding is necessary.

(g) A gouge, groove, arc burn or dent may not be repaired by insert patching or by pounding out.

(h) Each gouge, groove, arc burn or dent that is removed from a length of pipe must be removed by cutting out the damaged portion as a cylinder.

(i) Notches or laminations on pipe ends shall not be repaired on pipe to be operated at a pressure of 125 PSIG (862 kPa) or more. The damaged portion shall be removed as a cylinder and the pipe end rebeveled.

255.311 Repair of plastic pipe. Each imperfection or damage that would impair the serviceability of plastic pipe must be repaired or removed.

255.313 Bends and elbows.

(a) Each field bend in steel pipe must comply with the following criteria:

(1) A bend must not impair the serviceability of the pipe.

(2) Each bend must have a smooth contour and be free from buckling, cracks, or any other mechanical damage.

(b) On pipe containing a longitudinal weld, the longitudinal weld must be as near as practicable to the neutral axis of the bend unless:

(1) the bend is made with an internal bending mandrel; or

(2) the pipe is 12 inches (305 millimeters) or less in outside diameter or has a diameter to wall thickness ratio less than 70.

(c) Each circumferential weld of steel pipe which is located where the stress during bending causes a permanent deformation in the pipe must be nondestructively tested after the bending process.

(d) Wrought-steel welding elbows and transverse segments of these elbows may not be used for changes in direction on steel pipe that is two inches (51 millimeters) or more in diameter unless the arc length, as measured along the crotch, is at least one inch (125 millimeters).

255.315 Wrinkle bends in steel pipe.

A wrinkle bend may not be made on steel pipe to be operated at a pressure of 125 PSIG (862 kPa) or more.

255.317 Protection from hazards. (a) When pipelines must be installed where they will be subjected to natural hazards, such as washouts, floods, unstable soil, landslides, or other conditions which may cause serious movement of, or abnormal loads on the pipeline, reasonable precaution shall be taken to protect the pipeline, such as increasing
the wall thickness, constructing revetments, preventing erosion, installing anchors, etc.

(b) Where pipelines cross areas which are normally underwater or subject to flooding (i.e., lakes, bays, swamps), sufficient weight or anchorage shall be applied to the line to prevent flotation.

(c) Because submarine river crossings may be subject to washouts due to the natural hazards of stream bed changes, high water velocities, deepening of the channel, or changing of the channel location in the stream bed, design attention shall be given to protect the pipeline at such crossings. The crossing shall be located in stable bank and bed locations. The depth of the line, location of the bends in the banks, wall thickness of the pipe, weighting of the line shall be selected based on the characteristics of the river.

(d) Where pipelines are exposed, such as at spans, trestles, and bridge crossings, the pipelines and mains shall be reasonably protected by distance or barricades from accidental damage by vehicular traffic or other causes.

. SO DOC 16B-255.319 NYCR
255.319 Installation of pipe in a ditch. (a) When installed in a ditch, each transmission line and main must be installed so that the pipe fits the ditch so as to minimize stresses and protect the pipe coating from damage.

(b) When a ditch for a transmission line or main is backfilled, it must be backfilled in a manner that:

(1) provides firm support under the pipe; and

(2) prevents damage to the pipe coating from equipment or from the backfill material.

. SO DOC 16B-255.321 NYCR
255.321 Installation of plastic pipe.

(a) Plastic pipe must be installed below ground level unless otherwise permitted by subdivisions (1) and (m) of this section.

(b) Plastic pipe that is installed in a vault or any other below grade enclosure must be completely encased in gas-tight metal pipe and fittings that are adequately protected from corrosion.

(c) Plastic pipe must be installed so as to minimize shear or tensile stresses.

(d) Thermoplastic pipe that is not encased must have a minimum wall thickness of 0.090 inch (2.29 millimeters), except that pipe with an outside diameter of 0.875 inch (22.3 millimeters) or less may have a minimum wall thickness of 0.062 inch (1.58 millimeters).

(e) Plastic pipe that is not encased must have an electrically conductive wire or other approved means of locating the pipe. Tracer wire may not be wrapped around the pipe and contact with the pipe must be minimized but is not prohibited. Tracer wire or other metallic elements installed for pipe locating purposes must be resistant to corrosion damage, either by use of coated copper wire or by other means.

(f) Plastic pipe that is being encased must be inserted into the casing pipe in a manner that will protect the plastic. The leading end of the plastic must be closed before insertion. The casing must be prepared to the extent necessary to remove sharp edges, projections, or abrasive material which could damage the plastic.

(g) Care shall be exercised to avoid rough handling of plastic pipe and tubing. It shall not be pushed or pulled over sharp projections, dropped or have other objects dropped upon it.
(h) Caution shall be taken to prevent kinking or buckling, and any kinks or buckles which occur shall be removed by cutting out as a cylinder.

(i) Squeeze-offs of plastic may be made to control flows in accordance with manufacturer's recommendations and a proven procedure without replacement of the pipe section. However, each squeeze-off must be adequately marked on the pipe to preclude further squeeze-off at that location.

(j) The piping shall be installed with sufficient slack to provide for possible contraction. Cooling may be necessary before the last connection is made under extremely high temperature conditions.

(k) That portion of the plastic piping exposed due to the removal of a section of the casing or which spans disturbed earth shall be of sufficient strength to withstand the external loading and shearing forces or it shall be protected with a suitable bridging piece.

(l) Uncased plastic pipe may be temporarily installed above ground level under the following conditions:
   (1) The operator must be able to demonstrate that the cumulative above ground exposure of the pipe does not exceed the manufacturer's recommended maximum period of exposure or 2 years, whichever is less.
   (2) The pipe is located where damage by external forces is unlikely or is otherwise protected against such damage.
   (3) The pipe adequately resists exposure to ultraviolet light and high and low temperatures.

(m) Plastic pipe may be installed on bridges provided that it is:
   (1) installed with protection from mechanical damage, such as installation in a metallic casing;
   (2) protected from ultraviolet radiation; and
   (3) not allowed to exceed the pipe temperature limits specified in section 123 of this Part.

255.323 Casing. (a) The casing must be designed to withstand the superimposed loads.

(b) If there is a possibility of water entering the casing, the ends must be sealed.

(c) If the ends of an unvented casing are sealed and the sealing is strong enough to retain the maximum allowable operating pressure of the pipe, the casing must be designed to hold this pressure at a stress level of not more than 72 percent of SMYS.

(d) If vents are installed on a casing, the vents must be protected from the weather to prevent water from entering the casing.

255.325 Underground clearance.

(a) Each transmission line shall be installed with at least 12 inches (305 millimeters) of clearance from any other underground structure not associated with the transmission line. If this clearance cannot be attained, a minimum clearance of two inches (51 millimeters) must be attained provided the transmission line is protected from damage that might result from the proximity of the other structure.

(b) Each distribution main shall be installed with at least six inches (152 millimeters) of clearance from any other underground structure to allow proper maintenance and to protect against damage that might result from proximity to other structures. If this clearance cannot be attained, the main may be installed with a minimum clearance of two
inches (51 millimeters), provided the main is suitably protected from
damage that might result from the proximity of the other structure.

(c) In addition to meeting the requirements of subdivisions (a) and
(b) of this section, each plastic pipeline must be installed with
sufficient clearance, or must be insulated, from any source of heat so
as to prevent the heat from impairing the serviceability of the pipe.

255.327 Cover.

(a) Except as provided in subdivisions (d), (e) and (f) of this
section, each buried transmission line, or distribution main operating
at 125 psig (862 kPa) or more in a Class 3 or 4 location, must be
installed with a minimum cover as follows:

<table>
<thead>
<tr>
<th>Location</th>
<th>Normal Soil (Inches)</th>
<th>Normal Rock (Millimeters)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class 1 locations</td>
<td>30 (762)</td>
<td>18 (457)</td>
</tr>
<tr>
<td>Class 2, 3, and 4 locations</td>
<td>36 (914)</td>
<td>24 (610)</td>
</tr>
<tr>
<td>Drainage ditches of public roads and railroad crossings</td>
<td>36 (914)</td>
<td>24 (610)</td>
</tr>
</tbody>
</table>

(b) Except as provided in subdivisions (c), (d), (e) and (f) of this
section, each buried distribution main, other than those specified in
subdivision (a) of this section, must be installed with at least 24
inches (610 millimeters) of cover.

(c) Where a new distribution main is being inserted into an existing
pipeline, the minimum depth of cover may be 18 inches (457 millimeters)
provided openings are properly bridged to provide protection from
shearing action and external damage.

(d) Where an underground structure prevents the installation of a
transmission line or main with the minimum cover, the transmission line
or main may be installed with less cover if it is provided with
additional protection to withstand anticipated external loads.

(e) All pipe which is installed in areas actively cultivated for
commercial farm purposes in at least two out of the last five years, as
identified by the farmland operator, shall be installed with a minimum
cover of 40 inches (1,016 millimeters) unless the farmland operator
agrees to or requires a different depth.

(f) All pipe which is installed in a navigable river, stream, or
harbor must have a minimum cover of 48 inches (1,219 millimeters) in
soil or 24 inches (610 millimeters) in consolidated rock between the top
of the pipe and the underwater natural bottom (as determined by
recognized and generally accepted practices). However, less than the
minimum cover is permitted in accordance with subdivision (d) of this
section.

255.351 Scope.

Sections 255.353 through 255.379 of this Part prescribe minimum
requirements for installing customer meters, service regulators, service
lines, service line valves, and service line connections to mains.

255.353 Customer meters and regulators: location.

(a) Each meter and service regulator must be installed in a readily
accessible location and be protected from corrosion and other damage,
including any vehicular damage that may be anticipated.

(b) Each service regulator on new and replacement service lines,
except for replacements by insertion, must be installed outside of the building, unless it is impractical or unsafe. Where the service regulator must be installed within the building, it is to be located as near as practical to the point of service line entrance. For service line replacements where the service regulator must remain inside, the regulator shall be tested and inspected in accordance with section 255.744(d) and (e) of this Part.

(c) The upstream regulator in a series must be located outside the building, unless it is located in a separate metering or regulating building.

(d) Each meter installed within a building must be located in a ventilated place and not less than three feet (914 millimeters) from any source of ignition or any source of heat which might damage the meter.

(e) When installing a new gas service for which gas pressure regulating and associated gas cleaning equipment and appurtenances is required for a building of public assembly, or apartment building, or building within an apartment, industrial or commercial complex, each with a capacity for normal occupancy of 75 or more persons, the following requirements shall be met:

(1) When outside installation is impracticable, regulations applicable to indoor installations with high pressure services shall pertain.

(2) The associated gas cleaning equipment and appurtenances may be located in the same area as the metering and/or pressure regulation equipment.

(3) Where practicable, the regulating and gas cleaning equipment shall be installed within a separate room that is designed for two-hour fire resistance, and is effectively sealed off from the remaining space in the building.

(4) In the case of indoor installations, special effort shall be made to prevent and indicate tampering by unauthorized persons.

(5) In all the above installations and on doors or accesses leading to all the above installations, a conspicuous notice shall be posted indicating the instructions for actions to be taken and the telephone number of the proper person to be called in the event a gas odor is detected.

255.355 Customer meters and regulators: protection from damage.

(a) If the customer's equipment or supplemental gas supply might create either a vacuum or a back pressure, a device must be installed to protect the distribution system. Commingling of a customer's supplemental gas supply with utility supplied gas is permissible provided the customer verifies that the supplemental gas is interchangeable with the gas supplied by the utility.

(b) The outside terminal of each service regulator vent and relief vent must:

(1) be rain and insect resistant;

(2) be located at a place where gas from the vent can escape freely into the atmosphere and away from any opening into the building (a minimum of 18 inches (457 millimeters), where practical); and

(3) be protected from damage caused by submergence in areas where flooding or ice accumulation may occur.

(c) Each pit or vault that houses a customer meter or regulator at a place where vehicular traffic is anticipated, must be able to support that traffic.
255.357 Customer meters and service regulators: installation.
(a) Each meter and each regulator must be installed so as to minimize anticipated stresses upon the connecting piping and the meter.
(b) When close all-thread nipples are used, the wall thickness remaining after the threads are cut must meet the minimum wall thickness requirements of this Part.
(c) Connections made of lead or other easily damaged material may not be used in the installation of meters or regulators.
(d) Each regulator that might release gas in its operation must be vented to the outside atmosphere.

255.359 Customer meter installations: operating pressure.
(a) A meter may not be used at a pressure that is more than 67 percent of the manufacturer's shell test pressure.
(b) Each newly installed meter manufactured after November 12, 1970, must have been tested to a minimum of 10 PSIG (69 kPa).
(c) A rebuilt or repaired tinned steel case meter may not be used at a pressure that is more than 50 percent of the pressure used to test the meter after rebuilding or repairing.

255.361 Service lines: installation.
(a) Each buried service line shall be installed with at least 18 inches (457 millimeters) of cover. However, where an underground structure prevents installation at those depths, the service line must be able to withstand any anticipated external load and suitable protection must be provided. Also, if service inserts of existing service lines are installed this requirement is not applicable.
(b) Each service line must be properly supported on undisturbed or well-compacted soil, and material used for backfill must be free of materials that could damage the pipe or its coating.
(c) Where condensate in the gas might cause interruption in the gas supply to the customer, the service line must be graded so as to drain into the main or into drips at the low points in the service line.
(d) Each service line must be installed so as to minimize anticipated piping strain and external loading.
(e) Each underground service line installed below grade through the outer foundation wall of a building must:
   (1) be encased in a rigid sleeve with suitable protection from shearing action or backfill settlement;
   (2) in the case of a metal service line, be protected against corrosion; and
   (3) be sealed at the foundation wall to prevent leakage into the building.
(f) When an underground service line is installed under a building, the following requirements apply:
   (1) It must be encased in a gas-tight conduit.
   (2) The conduit and the service line must, if the service line supplies the building it underlies, extend into a normally usable and accessible part of the building.
   (3) The space between the conduit and the service line must be sealed to prevent gas leakage into the building and, if the conduit is sealed at both ends, a vent line from the annular space must extend to a point where gas would not be a hazard, and extend above grade, terminating in
a rain and insect resistant fitting.

(g) All service lines shall be constructed with a clearance of not less than four inches (102 millimeters), whenever practical, from any subsurface structures not directly associated with the pipeline. If it is not practicable to achieve this clearance, a minimum clearance of two inches (51 millimeters) shall be maintained and the pipeline shall be protected from damage that might result from the proximity of the other structure.

(h) When steel or plastic pipe is to be installed as a service line in a bore, care shall be exercised to prevent damage to the coating or pipe during installation.

(i) Locating underground service lines. Each underground nonmetallic service line that is not encased must have a means of locating the pipe that complies with subdivision (e) of section 321 of this Part.

SO DOC 16B-255.363

255.363 Service lines: valve requirements.

(a) Each service line must have a service line valve that meets the applicable requirements of this Part. A valve incorporated in a meter bar that allows the meter to be bypassed may not be used as a service line valve. All such exposed valves must be of tamper proof construction.

(b) A soft seat service line valve may not be used if its ability to control the flow of gas could be adversely affected by exposure to anticipated heat.

(c) Each service line valve on a high pressure service line, installed aboveground or in an area where the blowing of gas would be hazardous, must be designed and constructed to minimize the possibility of the removal of the core of the valve with other than specialized tools.

(d) On service lines designed to operate at pressures in excess of 60 PSIG, (414 kPa), the service line valve shall be the equivalent of a pressure lubricated valve or a needle type valve. Other types of valves may be used where tests by the manufacturer or by the user indicate that they are suitable for this kind of service.

SO DOC 16B-255.365

255.365 Service lines: location of valves.

(a) Each service line valve must be installed upstream of the regulator or, if there is no regulator, upstream of the meter.

(b) Each service line must have a shut-off valve in a readily accessible location that, if feasible, is outside of the building. The valve must be located outside the building:
   (1) where the regulator is located within the customer's building;
   (2) on service lines to buildings of public assembly; or
   (3) on service lines two inches (51 millimeters) or greater in diameter.

(c) Each underground service line valve must be located in a covered durable curb box or standpipe that allows ready operation of the valve and is supported independently of the service line.

SO DOC 16B-255.367

255.367 Service lines: general requirements for connections to main piping. (a) Each service line connection to a main should be located at the top of the main or, if that is not practical, at the side of the main, unless a suitable protective device is installed to minimize the possibility of dust and moisture being carried from the main into the service line.
(b) Each compression-type service line to main connection must:
   (1) be designed and installed to effectively sustain the longitudinal
       pullout or thrust forces caused by contraction or expansion of the
       piping, or by anticipated external or internal loading; and
   (2) if gaskets are used in connecting the service line to the main
       connection fitting, have gaskets that are compatible with the kind of
       gas in the system.

255.369 Service lines: connections to cast iron or ductile iron mains.
   (a) Each service line connected to a cast iron or ductile iron main must
       be connected by a mechanical clamp, by drilling and tapping the main, or
       by another method meeting the requirements of section 255.273 of this
       Part.
   (b) If a threaded tap is being inserted, the requirements of section
       255.151(b)-(c) of this Part must also be met.
   (c) Service line connections shall not be brazed directly to cast iron
       or ductile iron mains.
   (d) Service lines must meet the electrical isolation requirements of
       section 255.467(b) of this Part.

255.371 Service lines: steel. Each steel service line to be operated
   at less than 100 PSIG (689 kPa) must be constructed of pipe designed for
   a minimum of 100 PSIG (689 kPa).

255.373 Service lines: cast iron and ductile iron. Cast iron or
   ductile iron pipe shall not be used for new or replacement service
   lines.

255.375 Service lines: plastic. (a) Each plastic service line outside
   a building must be installed below ground level, except that:
       (1) it may be installed in accordance with section 255.321(1) of this
           Part; and
       (2) it may terminate above ground level and outside the building if:
           (i) the aboveground part of the plastic service line is protected
               against deterioration and external damage.
           (ii) the plastic service line is not used to support external loads.
   (b) Each plastic service line inside a building must be protected
       against external damage and must not be exposed.

255.377 Service lines: copper. Each copper service line installed
   within a building must be protected against external damage.

255.379 New service lines not in use. Each service line that is not
   placed in service upon completion of installation must comply with one
   of the following until the customer is supplied with gas:
   (a) The valve that is closed to prevent the flow of gas to the
       customer must be of tamper-proof construction and be provided with a
       locking device or other means designed to prevent the opening of the
       valve by persons other than those authorized by the operator.
   (b) A mechanical device or fitting that will prevent the flow of gas
       must be installed in the service line or in the meter assembly. The
       mechanical device or fitting shall be of a type that cannot be removed
       except by properly authorized employees of the operator.
   (c) The customer's piping must be physically disconnected from the gas
255.381 Service lines: excess flow valve performance standards.

(a) Excess flow valves (EFVs) to be used on service lines that operate continuously throughout the year at a pressure not less than 10 psig (69 kPa) must be manufactured and tested by the manufacturer according to an industry specification, or the manufacturer's written specification, to ensure that each valve will:

(1) function properly up to the maximum operating pressure at which the valve is rated;

(2) function properly at all temperatures reasonably expected in the operating environment of the service line;

(3) at 10 PSIG (69 Kpa) close at, or not more than 50 percent above, the rated closure flow rate specified by the manufacturer and upon closure, reduce the gas flow to the level indicated:

(i) for an excess flow valve designed to allow pressure to equalize across the valve, no more than 5 percent of the manufacturer's specified closure flow rate, up to a maximum of 20 cubic feet (0.566 cubic meters) per hour; or

(ii) for an excess flow valve designed to prevent equalization of pressure across the valve, no more than 0.4 cubic feet (0.011 cubic meters) per hour; and

(4) not close when the pressure is less than the manufacturer's minimum specified operating pressure and the flow rate is below the manufacturer's minimum specified closure flow rate.

(b) An excess flow valve must meet the applicable requirements of this Part regarding materials and design of pipeline components.

(c) An operator must mark or otherwise identify the presence of an excess flow valve in the service line.

(d) An operator shall locate an excess flow valve as near as practical to the fitting connecting the service line to its source of gas supply.

(e) An operator should not install an excess flow valve on a service line where the operator has prior experience with contaminants in the gas stream, where these contaminants could be expected to cause the excess flow valve to malfunction or where the excess flow valve would interfere with necessary operation and maintenance activities on the service, such as blowing liquids from the line.

255.383 Excess flow valve customer installation.

(a) Definitions. As used in this section:

(1) Branched service line means a gas service line that begins at the existing service line or is installed concurrently with the primary service line but serves a separate residence.

(2) Replaced service line means a gas service line where the fitting that connects the service line to the main is replaced or the piping connected to this fitting is replaced.

(3) Service line serving single-family residence means a gas service line that begins at the fitting that connects the service line to the main and serves only one single-family residence (SFR).

(b) Installation required. An excess flow valve (EFV) installation must comply with the performance standards in section 255.381 of this Part. After April 14, 2017, each operator must install an EFV on any new or replaced service line serving the following types of services before the line is activated:
(1) A single service line to one SFR;

(2) A branched service line to a SFR installed concurrently with the primary SFR service line (i.e., a single EFV may be installed to protect both service lines);

(3) A branched service line to a SFR installed off a previously installed SFR service line that does not contain an EFV;

(4) Multifamily residences with known customer loads not exceeding 1,000 SCFH per service, at time of service installation based on installed meter capacity, and

(5) A single, small commercial customer served by a single service line with a known customer load not exceeding 1,000 SCFH, at the time of meter installation, based on installed meter capacity.

(c) Exceptions to excess flow valve installation requirement. An operator need not install an excess flow valve if one or more of the following conditions is present:

(1) the service line does not operate at a pressure of 10 psig (69 kPa) or greater throughout the year;

(2) the operator has prior experience with contaminants in the gas stream that could interfere with the EFV operation or cause loss of service to a residence;

(3) an EFV could interfere with necessary operation or maintenance activities, such as blowing liquids from the line; or

(4) an EFV meeting performance standards in section 255.381 of this Part is not commercially available to the operator.

(d) Customer's right to request an EFV. Existing service line customers who desire an EFV on service lines not exceeding 1,000 SCFH and who do not qualify for one of the exceptions in subdivision (c) of this section may request an EFV to be installed on their service lines. If an eligible service line customer requests an EFV installation, an operator must install the EFV at a mutually agreeable date.

(e) Operator notification of customers concerning EFV installation. Operators must notify customers of their right to request an EFV in the following manner:

(1) Except as specified in subdivision (c) and paragraph (e)(5) of this section, each operator must provide written or electronic notification to customers of their right to request the installation of an EFV. Electronic notification can include emails, Web site postings, and e-billing notices.

(2) The notification must include an explanation for the service line customer of the potential safety benefits that may be derived from installing an EFV. The explanation must include information that an EFV is designed to shut off the flow of natural gas automatically if the service line breaks.

(3) The notification must include a description of EFV installation and replacement costs. The notice must alert the customer that costs for maintaining and replacing an EFV may later be incurred, and what those costs will be to the extent known.

(4) The notification must indicate that if a service line customer requests installation of an EFV and the load does not exceed 1,000 SCFH and the conditions of subdivision (c) of this section are not present, the operator must install an EFV at a mutually agreeable date.

(5) Operators of master-meter systems and liquefied petroleum gas (LPG) operators with fewer than 100 customers may continuously post a general notification in a prominent location frequented by customers.
(f) Operator evidence of customer notification. An operator must make available to the Department a copy of the notice or notices currently in use.

(g) Reporting. Each operator must report the EFV measures detailed in the annual report required by 49 CFR 191.11.

255.385 Manual service line shut-off valve installation.

(a) Definitions. As used in this section, manual service line shut-off valve means a curb valve or other manually operated valve located near the service line that is safely accessible to operator personnel or other personnel authorized by the operator to manually shut off gas flow to the service line, if needed.

(b) Installation requirement. The operator must install either a manual service line shut-off valve or, if possible, based on sound engineering analysis and availability, an EFV for any new or replaced service line with installed meter capacity exceeding 1,000 SCFH.

(c) Accessibility and maintenance. Manual service line shut-off valves for any new or replaced service line must be installed in such a way as to allow accessibility during emergencies. Manual service shut-off valves installed under this section are subject to regularly scheduled maintenance, as documented by the operator and consistent with the valve manufacturer's specification.

255.451 Scope.

Sections 255.452 through 255.491 of this Part prescribe minimum requirements for the protection of metallic pipelines from external, internal, and atmospheric corrosion.

255.452 Applicability to converted pipelines. Notwithstanding the date the pipeline was installed or any earlier deadlines for compliance, each pipeline, which qualifies for use under this Part in accordance with section 255.14 of this Part, must meet the corrosion control requirements specifically applicable to pipelines installed before August 1, 1971, and all other applicable requirements within one year after the pipeline is readied for service. However, the corrosion control requirements specifically applicable to pipelines installed after July 31, 1971, apply if the pipeline substantially meets those requirements before it is readied for service or it is a segment which is replaced, relocated or substantially altered.

255.453 General. Each operator shall establish procedures as required by section 255.605(b) of this Part to implement these requirements. These procedures, including those for the design, installation, operation, and maintenance of cathodic protection systems, must be carried out by, or under the direction of, a person qualified by experience and training in pipeline corrosion control methods.

255.455 External corrosion control: buried or submerged pipelines installed after July 31, 1971.

(a) Except as provided in subdivisions (b), (c) and (f) of this section, each buried or submerged pipeline installed after July 31, 1971, must be protected against external corrosion.

1) It must have an external protective coating meeting the requirements of section 255.461 of this Part.
(2) It must have a cathodic protection system designed to protect the pipeline in its entirety, installed and placed in operation within one year after completion of construction.

(b) An operator need not comply with subdivision (a) of this section, if the operator can demonstrate by tests, investigation, or experience in the area of application, including, as a minimum, soil resistivity measurements and tests for corrosion accelerating bacteria, that a corrosive environment does not exist.

(1) However, within six months after an installation made pursuant to the preceding sentence, the operator shall conduct tests, including pipe-to-soil potential measurements with respect to either a continuous reference electrode or an electrode using close spacing, not to exceed 20 feet (6.1 meters), and soil resistivity measurement at all potential profile peak locations, to adequately evaluate the potential profile along the entire pipeline.

(2) If the tests made indicate that a corrosive condition exists, the pipeline must be cathodically protected in accordance with paragraph (a) (2) of this section.

(c) An operator need not comply with subdivision (a) of this section, if the operator can demonstrate by tests, investigation or experience that:

(1) for a copper pipeline, a corrosive environment does not exist; or

(2) for a temporary pipeline with an operating period of service not to exceed five years beyond installation, corrosion during the five-year period of service of the pipeline will not be detrimental to public safety.

(d) Notwithstanding the provisions of subdivision (b) or (c) of this section, if a pipeline is externally coated, it must be cathodically protected in accordance with paragraph (a) (2) of this section.

(e) Aluminum may not be installed in a buried or submerged pipeline if that aluminum is exposed to an environment with a natural pH in excess of eight. For lower values of pH aluminum may not be installed unless tests or experience indicate its suitability in the particular environment involved.

(f) This section does not apply to electrically isolated, metal alloy fittings in plastic pipelines, if:

(1) for the size fitting to be used, an operator can show by tests, investigation, or experience in the area of application that adequate corrosion control is provided by alloyage; and

(2) the fitting is designed to prevent leakage caused by localized corrosion pitting.

NYCRR 255.457 External corrosion control: buried or submerged pipelines installed before August 1, 1971.

(a) Except for buried piping at compressor, regulator, and measuring stations, each buried or submerged transmission line, or distribution main to be operated at a pressure of 125 PSIG (862 kPa) or more in a Class 3 or 4 location, installed before August 1, 1971, that has an effective external coating must be cathodically protected along the entire area that is effectively coated. For the purposes of this Part, a pipeline does not have an effective external coating if its cathodic protection current requirements are substantially the same as if it were bare. The operator shall make tests to determine the cathodic protection current requirements.
Except for cast iron or ductile iron, each of the following buried or submerged pipelines installed before August 1, 1971, must be cathodically protected or replaced in the areas in which active corrosion is found:

1. bare or ineffectively coated transmission lines;
2. bare or coated pipes at compressor, regulator, and measuring stations; or
3. bare or coated distribution lines, except coated distribution mains to be operated at a pressure of 125 PSIG (862 kPa) or more in a Class 3 or 4 location.

External corrosion control: examination of buried pipeline when exposed.

Whenever any portion of an existing underground steel facility is exposed by the operator, a galvanic type anode shall be attached to that facility if consistent with good corrosion control practices. Whenever an operator has knowledge that any portion of a buried pipeline is exposed, the exposed portion must be examined for evidence of external corrosion if the pipe is bare, or if the coating is deteriorated. If external corrosion is found, the operator shall investigate circumferentially and longitudinally beyond the exposed portion (by visual examination, approved indirect method, or both) to determine whether there is additional corrosion, and remedial action must be taken to the extent required by the applicable subdivisions of sections 255.483, 255.485, 255.487, and 255.489 of this Part.

External corrosion control: protective coating.

(a) Each external protective coating, whether conductive or insulating, applied for the purpose of external corrosion control must:
   1. be applied on a properly prepared surface;
   2. have sufficient adhesion to the metal surface to effectively resist underfilm migration of moisture;
   3. be sufficiently ductile to resist cracking;
   4. have sufficient strength to resist damage due to handling and soil stress; and
   5. have properties compatible with any supplemental cathodic protection.

(b) Each external protective coating which is an electrically insulating type must also have low moisture absorption and high electrical resistance.

(c) Each external protective coating must be inspected just prior to lowering the pipe into the ditch and backfilling, and any damage detrimental to effective corrosion control must be repaired.

(d) Electrical tests appropriate for the type of coating shall be used on pipelines to operate at 125 PSIG (862 kPa) or more to detect defects in the coating which may not be revealed by a visual inspection. Where such tests are not practical, electrical tests, after installation, shall be conducted.

(e) Electrical tests of pipe coating on distribution mains, other than those covered by subdivision (d) of this section, shall be conducted where practical.

(f) Each external protective coating must be protected from damage resulting from adverse ditch conditions or damage from supporting blocks.
If coated pipe is installed by boring, driving or other similar method, precautions must be taken to minimize damage to the coating during installation.

255.463 External corrosion control: cathodic protection. (a) Each cathodic protection system required by this Part must provide a level of cathodic protection that complies with one or more of the applicable criteria contained in Appendix 14-D of this Title. If none of these criteria are applicable, the cathodic protection system must provide a level of cathodic protection at least equal to that provided by compliance with one or more of these criteria.

(b) If amphoteric metals are included in a buried or submerged pipeline containing a metal of different anodic potential:
   (1) the amphoteric metals must be electrically isolated from the remainder of the pipeline and be cathodically protected; or
   (2) the entire buried or submerged pipeline must be cathodically protected at a cathodic potential that meets the requirements of Appendix 14-D of this Title for amphoteric metals.

(c) The amount of cathodic protection must be controlled so as not to damage the protective coating or the pipe.

255.465 External corrosion control: monitoring.

(a) Pipe-to-soil electrical potential tests or other acceptable electrical tests shall be conducted over each pipeline 100 feet (30.5 meters), or longer that is under cathodic protection at least once each calendar year, but with intervals not exceeding 15 months, to determine whether the cathodic protection meets the requirements of section 255.463 of this Part. These should also be conducted for pipelines shorter than 100 feet (30.5 meters). However, if tests at those intervals are impractical for separately protected short sections of mains or transmission lines, not in excess of 100 feet (30.5 meters), or separately protected service lines, these pipelines may be surveyed on a sampling basis.

(b) Each cathodic protection rectifier or other impressed current power source must be inspected six times each calendar year, but at intervals not exceeding 2 1/2 months, to ensure that it is operating.

(c) Each reverse current switch, each diode, and each interference bond whose failure would jeopardize structure protection must be electrically checked for proper performance six times each calendar year, but at intervals not exceeding 2 1/2 months. Each other interference bond must be checked at least once each calendar year, but at intervals not exceeding 15 months.

(d) Each operator shall take prompt remedial action to correct any deficiencies indicated by the monitoring.

(e) After the initial evaluation required by sections 255.455(b)-(c) and 255.457(b) of this Part, each operator must, not less than every 3 years at intervals not exceeding 39 months, reevaluate its unprotected pipelines and cathodically protect them in accordance with this Part in areas in which active corrosion is found. The operator must determine the areas of active corrosion by electrical survey. However, on distribution lines and where an electrical survey is impractical on transmission lines, areas of active corrosion may be determined by other means that include review and analysis of leak repair and inspection records, corrosion monitoring records, exposed pipe inspection records,
and the pipeline environment.

(f) The operator shall determine the areas of active corrosion by electrical survey, or where electrical survey is impractical, by using the required leakage survey (see section 255.723(b) of this Part) in conjunction with an analysis of the corrosion and leak history records, or by other approved means.

255.467 External corrosion control: electrical isolation.

(a) Each buried or submerged pipeline must be electrically isolated from other underground metallic structures, unless the pipeline and the other structures are electrically interconnected and cathodically protected as a single unit.

(b) One or more insulating devices must be installed where electrical isolation of a portion of a pipeline is necessary to facilitate the application of corrosion control.

(c) Except for unprotected copper inserted in a ferrous pipe, each pipeline must be either electrically isolated from any metallic casing that is part of the underground system or, if isolation is not achieved because it is impractical, must be treated by other measures to minimize corrosion of the pipeline inside the casing.

(d) Inspection and electrical tests must be made to assure that electrical isolation is adequate.

(e) An insulating device may not be installed in an area where a combustible atmosphere is anticipated unless precautions are taken to prevent arcing.

(f) Where a pipeline is located in close proximity to electrical transmission tower footings, ground cables or counterpoise, or in other areas where fault currents or unusual risk of lightning may be anticipated, it must be provided with protection against damage due to fault currents or lightning, and protective measures must also be taken at insulating devices.

(g) For any pipeline constructed after December 1, 1993, that is located parallel and in close proximity to or crosses underneath an overhead high-voltage (69 kV or higher) electric transmission facility, the step-and-touch voltages induced by magnetic fields of overhead electric lines under steady state conditions shall be limited to 15 volts or less at all points where a person could normally touch the pipeline or a pipeline appurtenance. This does not apply to buried pipelines or to locations where access is limited by use of fences or barriers to personnel that are trained in safe practices regarding step-and-touch voltages. The short term emergency loading condition of the circuit as defined by the New York Independent System Operator for the electric facility shall be used in determining the magnitude of such step-and-touch voltages.

1. Step voltage means the root mean square voltage difference between any two points on the ground surface separated by one meter (approximately the distance of one step) in the direction of the maximum voltage gradient.

2. Touch voltage means the root mean square voltage difference between any point on the ground where a person may stand and any point on the pipeline or its appurtenances which can be touched simultaneously by either hand.

255.469 External corrosion control: test stations. Each pipeline under
cathodic protection required by this Part must have sufficient test
stations or other contact points for electrical measurement to determine
the adequacy of cathodic protection.

255.471 External corrosion control: test leads. (a) Each test lead
wire must be connected to the pipeline so as to remain mechanically
secure and electrically conductive.

(b) Each test lead wire must be attached to the pipeline so as to
minimize stress concentration on the pipe.

(c) Each bared test lead wire and bared metallic area at point of
connection to the pipeline must be coated with an electrical insulating
material compatible with the pipe coating and the insulation on the
wire.

255.473 External corrosion control: interference currents.

(a) Each operator whose pipeline system is subjected to stray currents
shall have in effect a continuing program to minimize the detrimental
effects of such currents.

(b) Each impressed current type cathodic protection system or galvanic
anode system must be designed and installed so as to minimize any
adverse effects on existing adjacent underground metallic structures.

255.475 Internal corrosion control: general.

(a) Corrosive gas may not be transported by pipeline, unless the
corrosive effect of the gas on the pipeline has been investigated and
steps have been taken to minimize internal corrosion.

(b) Whenever any pipe is removed from a pipeline for any reason, the
internal surface must be inspected for evidence of corrosion. If
internal corrosion is found, the following requirements apply:

(1) The adjacent pipe must be investigated to determine the extent of
internal corrosion.

(2) Replacement must be made to the extent required by the applicable
requirements of section 255.485, 255.487 or 255.489 of this Part.

(3) Steps must be taken to minimize the internal corrosion.

255.476 Internal corrosion control: Design and construction of
transmission line.

(a) Design and construction. Except as provided in paragraph (b) of
this section, each new transmission line and each replacement of line
pipe, valve, fitting, or other line component in a transmission line
must have features incorporated into its design and construction to
reduce the risk of internal corrosion. At a minimum, unless it is
impracticable or unnecessary to do so, each new transmission line or
replacement of line pipe, valve, fitting, or other line component in a
transmission line must:

(1) Be configured to reduce the risk that liquids will collect in the
line;

(2) Have effective liquid removal features whenever the configuration
would allow liquids to collect; and

(3) Allow use of devices for monitoring internal corrosion at
locations with significant potential for internal corrosion.

(b) Exceptions to applicability. The design and construction
requirements of paragraph (a) of this section do not apply to pipeline
installed or line pipe, valve, fitting or other line component replaced

(c) Change to existing transmission line. When an operator changes the configuration of a transmission line, the operator must evaluate the impact of the change on internal corrosion risk to the downstream portion of an existing onshore transmission line and provide for removal of liquids and monitoring of internal corrosion as appropriate.

(d) Records. An operator must maintain records demonstrating compliance with this section. Provided the records show why incorporating design features addressing paragraph (a)(1), (a)(2), or (a)(3) of this section is impracticable or unnecessary, an operator may fulfill this requirement through written procedures supported by as-built drawings or other construction records.

255.477 Internal corrosion control: monitoring. If corrosive gas is being transported, coupons or other suitable means must be used to determine the effectiveness of the steps taken to minimize internal corrosion. Each coupon or other means of monitoring internal corrosion must be checked two times each calendar year, but at intervals not exceeding 7 1/2 months.

255.479 Atmospheric corrosion control: general.

(a) Each operator must clean and coat each pipeline or portion of pipeline that is exposed to the atmosphere, except pipelines under subdivision (c) of this section.

(b) Coating material must be suitable for the prevention of atmospheric corrosion.

(c) Except portions of pipelines in offshore splash zones or soil-to-air interfaces, the operator need not protect from atmospheric corrosion any pipeline for which the operator demonstrates by test, investigation, or experience appropriate to the environment of the pipeline that a corrosive atmosphere does not exist.

255.481 Atmospheric corrosion control: monitoring.

(a) Each operator must inspect each pipeline or portion of pipeline that is exposed to the atmosphere for evidence of atmospheric corrosion, as follows:

<table>
<thead>
<tr>
<th>If the pipeline is located:</th>
<th>Then the frequency of inspection is:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Onshore ..................</td>
<td>At least once every 3 calendar years, but with intervals not exceeding 39 months</td>
</tr>
<tr>
<td>Offshore ...............</td>
<td>At least once each calendar year, but with intervals not exceeding 15 months</td>
</tr>
</tbody>
</table>

(b) During inspections the operator must give particular attention to pipe at soil-to-air interfaces, under thermal insulation, under disbonded coatings, at pipe supports, in splash zones, at deck penetrations, and in spans over water.

(c) If atmospheric corrosion is found during an inspection, the operator must provide protection against the corrosion as required by section 479 of this Part.

255.483 Remedial measures: general. (a) Each segment of metallic pipe that replaces pipe removed from a buried or submerged pipeline because
of external corrosion must have a properly prepared surface and must be provided with an external protective coating that meets the requirements of section 255.461 of this Part.

(b) Each segment of metallic pipe that replaces pipe removed from a buried or submerged pipeline because of external corrosion must be cathodically protected in accordance with this Part.

(c) Except for cast iron or ductile iron pipe, each segment of buried or submerged pipe that is required to be repaired because of external corrosion must be cathodically protected in accordance with this Part.

(d) Whenever the annual electrical testing required by section 255.465(a) of this Part reveals that the pipeline or segment of pipeline does not meet the cathodic protection criteria required by section 255.463 of this Part, the operator must complete action to reestablish cathodic protection to the required level prior to the next annual testing or within one calendar year.

(e) When an area of active corrosion is identified, the operator shall provide cathodic protection to the level required by section 255.463 of this Part within one calendar year or replace the section of pipeline within two calendar years.

255.485 Remedial measures: transmission lines.

(a) Each segment of transmission line with general corrosion and with a remaining wall thickness less than that required for the maximum allowable operating pressure of the pipeline must be replaced or the operating pressure reduced commensurate with the strength of the pipe based on actual remaining wall thickness. However, if the area of general corrosion is small, the corroded pipe may be repaired by a method that reliable engineering tests and analyses show can permanently restore the serviceability of the pipe. Corrosion pitting so closely grouped as to affect the overall strength of the pipe is considered general corrosion.

(b) Each segment of transmission line pipe with localized corrosion pitting to a degree where leakage may result must be replaced or repaired, or the operating pressure reduced commensurate with the strength of the pipe based on the actual remaining wall thickness in the pits.

(c) Under subdivisions (a) and (b) of this section, the strength of transmission line pipe based on actual remaining wall thickness may be determined by the procedure in ASME B31G (as described in section 10.3 of this Title), or the procedure PRCI PR 3-805 (R-STRENG) (as described in section 10.3 of this Title). Both procedures apply to corroded regions that do not penetrate the pipe wall, subject to the limitations prescribed in the procedures.

255.487 Remedial measures: distribution lines other than cast iron or ductile iron lines.

(a) Except for cast iron or ductile iron pipe, each segment of a generally corroded pipeline with a remaining wall thickness less than that required for the maximum allowable operating pressure of the pipeline, or a remaining wall thickness less than 30 percent of the nominal wall thickness, must be replaced. However, if the area of general corrosion is small, the corroded pipe may be repaired by a method that reliable engineering tests and analyses show can permanently restore the serviceability of the pipe. Corrosion pitting so closely
grouped as to affect the overall strength of the pipe is considered general corrosion.

(b) Except for cast iron or ductile iron pipe, each segment of distribution main with localized corrosion pitting to a degree where leakage might result must be replaced or repaired.

**SO DOC 16B-255.489**

NYCRR 255.489 Remedial measures: cast iron and ductile iron pipelines. (a) Each segment of cast iron or ductile iron pipe on which general graphitization is found to a degree where a fracture or any leakage might result, must be replaced.

(b) Each segment of cast iron or ductile iron pipe on which localized graphitization is found to a degree where any leakage might result, must be replaced or repaired, or sealed by internal sealing methods adequate to prevent or arrest any leakage.

**SO DOC 16B-255.490**

NYCRR 255.490 Direct assessment.

Each operator that uses direct assessment as defined in section 255.903 of this Part on an onshore transmission line made primarily of steel or iron to evaluate the effects of a threat in the first column must carry out the direct assessment according to the standard listed in the second column. These standards do not apply to methods associated with direct assessment, such as close interval surveys, voltage gradient surveys, or examination of exposed pipelines, when used separately from the direct assessment process.

**Threat** | **Standard**
--- | ---
External corrosion | 255.925
Internal corrosion in pipelines that transport dry gas | 255.927
Stress corrosion cracking | 255.929

(a) For lines not subject to the Pipeline Integrity Management requirements of this Part, the terms "covered segment" and "covered pipeline segment" in sections 255.925, 255.927, and 255.929 of this Part refer to the pipeline segment on which direct assessment is performed.

(b) In section 255.925(b) of this Part, the provision regarding detection of coating damage applies only to pipelines subject to the Pipeline Integrity Management requirements of this Part.

**SO DOC 16B-255.491**

NYCRR 255.491 Corrosion control records. (a) Each operator shall maintain records or maps to show the location of cathodically protected piping, cathodic protection facilities, other than unrecorded galvanic anodes installed before August 1, 1971, and the neighboring structures bonded to the cathodic protection system.

(b) Each of the following records must be retained for the period indicated:

(1) Each record or map required by subdivision (a) of this section, and each record related to sections 255.465(a), 255.465(e), and 255.475(b), and must be retained for as long as the pipeline remains in service.

(2) Records of each test, survey, or inspection required by this Part, in sufficient detail to demonstrate the adequacy of corrosion control measures or that a corrosive condition does not exist must be retained for at least 5 years.

**SO DOC 16B-255.501**

NYCRR 255.501 Scope.
Sections 255.503 through 255.517 of this Part prescribe minimum leak-test and strength-test requirements for pipelines.

255.503 General requirements.
(a) No person may operate a new segment of pipeline, or return to service a segment of pipeline that has been reconstructed, relocated, replaced, or reactivated until it has been tested in accordance with this Part to substantiate the proposed maximum allowable operating pressure and each leak has been located and eliminated.

(b) The test medium must be liquid, air, natural gas or inert gas that is:
(1) compatible with the material of which the pipeline is constructed;
(2) relatively free of sedimentary materials; and
(3) except for natural gas, nonflammable.

(c) If air, natural gas, or inert gas is used as the test medium, the following maximum hoop stress limitations apply:

<table>
<thead>
<tr>
<th>Class Location</th>
<th>Natural gas</th>
<th>Air or inert gas</th>
</tr>
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<tbody>
<tr>
<td>1</td>
<td>80</td>
<td>80</td>
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<tr>
<td>2</td>
<td>30</td>
<td>75</td>
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<td>3</td>
<td>30</td>
<td>50</td>
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<td>4</td>
<td>30</td>
<td>40</td>
</tr>
</tbody>
</table>

(d) Each weld used to tie-in a test segment of pipeline is excepted from the test requirements of this Part.

(e) If a component other than pipe is the only item being replaced or added to a pipeline, a strength test after installation is not required, if the manufacturer of the component certifies that:
(1) The component was tested to at least the pressure required for the pipeline to which it is being added;
(2) The component was manufactured under a quality control system that ensures that each item manufactured is at least equal in strength to a prototype and that the prototype was tested to at least the pressure required for the pipeline to which it is being added; or
(3) The component carries a pressure rating established through applicable ASME/ANSI, Manufacturers Standardization Society of the Valve and Fittings Industry, Inc. (MSS) specifications, or by unit strength calculations as described in section 255.143 of this Part.

255.505 Strength test requirements for steel pipelines to operate at 125 PSIG (862 kPa) or more.
(a) Each segment of a steel pipeline that is to operate at a pressure of 125 PSIG (862 kPa) or more must be strength tested in accordance with this section to substantiate the proposed maximum allowable operating pressure.

(b) The test pressure shall be at least equal to 90 percent of SMYS or 1.5 times the maximum allowable operating pressure whichever is less.

(c) The test medium may be water, inert gas or air. For facilities to be operated above 20 percent SMYS in any class location or facilities to be operated at 125 PSIG (862 kPa) or more in a Class 4 location the medium may only be water unless there are no buildings intended for human occupancy within 300 feet (91.4 meters) of the pipeline facilities being tested and prior approval is granted by the Department to use air
or inert gas as the test medium.

(d) Except as provided in subdivisions (f) and (g) of this section, the strength test must be conducted by maintaining the pressure at or above the test pressure for at least 12 hours after stabilization.

(e) A calibrated recording pressure gauge that will indicate increments of five PSIG (34.5 kPa) or less, where practicable, shall be attached to the test section. The gauge must be calibrated at least hourly for the first and last two hours of the test. Calibration is against a dead-weight tester, or equivalent device, attached to the test section.

(f) For a short length of pipeline which has not been backfilled and where, throughout its entire length, its entire circumference can be readily examined visually for the detection of leakage, the duration of the test may be reduced to four hours following stabilization.

(g) At least five business days prior to starting the test, the operator shall make notification. In order to maintain continuity of service during emergencies, shorter notice is permissible.

(h) Tests under this section are not considered as satisfactorily accomplished unless certified by an inspector of the Department.

255.507 Test requirements for pipelines to operate at less than 125 PSIG (862 kPa).

(a) Except for service lines, each segment of a pipeline that is to be operated at less than 125 PSIG (862 kPa) must be tested in accordance with this section.

(b) The test pressure shall be 90 PSIG (621 kPa) or 1.5 times the maximum operating pressure whichever is greater; however, the maximum test pressure for plastic pipelines may not be more than three times the design pressure for the pipe determined under section 255.121 of this Part, at a temperature not less than the pipe temperature during the test. During the test, the temperature of thermoplastic material may not be more than 100 µF (38 µC), or the temperature at which the material's long-term hydrostatic strength has been determined under the listed specification, whichever is greater.

(c) The test medium shall be water, inert gas or air.

(d) Except as provided in subdivision (f) of this section, the test must be conducted by maintaining the pressure at or above the test pressure for at least one hour after stabilization.

(e) A calibrated pressure gauge that will indicate increments of two psig (14kPa) or less shall be attached to the test section.

(f) For plastic insertions of less than 1,500 feet (457.2 meters) length, the test duration may be 30 minutes prior to insertion followed by a 30-minute test after insertion and an inspection of all visible portions of the pipe for damage.

255.511 Test requirements for service lines.

(a) Except for steel service lines greater than two inches (51 millimeters) in nominal diameter that are to operate at 125 PSIG (862 kPa) or more, each segment of a service line must be leak tested in accordance with this section before being placed into service.

(b) Steel service lines greater than two inches (51 millimeters) in nominal diameter that are to operate at 125 PSIG (862 kPa) or more must be tested in accordance with sections 255.505 (a)-(f) of this Part.

(c) Except for copper service lines, the test pressure shall be 90
PSIG (621 kPa) or 1.5 times the maximum operating pressure, whichever is greater; however, the maximum test pressure and material temperature during the test must be in accordance with section 255.507 (b) of this Part.

(d) For copper service lines, the test pressure shall be 50 PSIG (345 kPa) or 1.5 times the maximum operating pressure, whichever is greater; however, the maximum test pressure may not be more than three times the design pressure for the pipe.

(e) The test medium shall be water, inert gas or air.

(f) The test duration shall be as follows:

(1) for service lines two inches (51 millimeters) and smaller to operate at less than 125 PSIG (862 kPa), 15 minutes;
(2) for service lines two inches (51 millimeters) and smaller to operate at 125 PSIG (862 kPa) or more, two hours; or
(3) for service lines greater than two inches (51 millimeters) to operate at less than 125 PSIG (862 kPa), 30 minutes.

(g) The limits of the test shall be from the main to one of the following points:

(1) In the case of an inside meter or meter-regulator setting:
   (i) for each segment of a service line intended to be operated at a pressure of less than 1 psig, the first fitting inside the wall of the customer's structure through which the service enters. Each segment of an interior service line operating below 1 psig must be leak-tested at the operating pressure when placed in service, in lieu of the test required under subdivision (c) of this section; or
   (ii) for each segment of a service line intended to be operated at a pressure of at least 1 psig (6.9 kPa) but not more than 40 psig (276 kPa), may be given a leak test at a pressure of not less than 50 psig (345 kPa), in lieu of the test required under subdivision (c) of this section.

(2) in the case of an outside meter or meter-regulator setting, to the meter riser valve, if any, or the first fitting on the riser upstream of the regulator where one is installed; or

(3) in the case of an inside meter with an outside regulator; to the first fitting on the riser upstream of the regulator.

(h) The service line connection to the main need not be included in these tests if it is not feasible to be so. However, it must be given a leakage test at operating pressure when placed in service.

(i) The test indicator for service line tests shall be a calibrated pressure gauge marked in five PSIG (34.5 kPa) increments for service lines to operate at 100 PSIG (689 kPa) or more. For tests on lines to operate at less than 100 PSIG (689 kPa), the test indicator must be such that any loss of pressure can be readily detected.

255.515 Environmental protection and safety requirements.

(a) In conducting tests under this Part, each operator shall ensure that every reasonable precaution is taken to protect its employees and the general public during the testing. The operator shall take all practicable steps to keep persons not working on the testing operation outside of the testing area until the pressure is reduced to or below the proposed maximum allowable operating pressure.

(b) The operator shall ensure that the test medium is disposed of in a manner that will minimize damage to the environment.
255.517 Records.

(a) Each operator shall make, and retain for the useful life of the pipeline, a record of each test performed under sections 255.505 and 255.507 of this Part.

The record must contain at least the following information:

1. the operator's name, the name of the operator's employee responsible for making the test, and the name of any test company used;
2. test medium used;
3. test pressure;
4. test duration;
5. pressure record charts; or other record of pressure readings;
6. elevation variations, whenever significant for the particular test; and
7. leaks and failures noted and their disposition.

(b) Each operator must maintain a record of each test required by section 255.511 of this Part for at least 5 years.

255.551 Scope.

Sections 255.552 through 255.557 of this Part prescribe minimum requirements for qualifying a pipeline for an increased maximum allowable operating pressure.

255.552 Notification requirements.

(a) The maximum allowable operating pressure of any transmission line, or main operating at a pressure of 125 PSIG (862 kPa) or above, shall not be raised or lowered without submitting a letter of intent at least 60 days prior to any proposed change of said certified pressure. Where the letter of intent indicates a decrease in the maximum allowable operating pressure, a statement of explanation is to be included. All procedures involved in the recertification project shall be in accordance with these requirements. In the event of an emergency, verbal permission may be obtained, but the written application must be filed promptly.

(b) In addition, any operator proposing to increase the maximum allowable operating pressure of a pipeline which was originally constructed to operate at a pressure of less than 125 PSIG (862 kPa) to a pressure of 125 PSIG (862 kPa) or more shall comply with the reporting requirements of subdivision (a) of this section. If the increase in pressure is proposed within three years of the initial operation of a pipeline which, at the higher pressure proposed, would fall within the definition of major utility transmission facility as set forth in section 120(2) of the Public Service Law, a hearing will be held on the proposed increase, unless such hearing is waived by the commission on the application of staff of the Department. In addition with respect to any such increase, the operator shall, in addition to the reporting requirements set forth above, provide in writing to staff the basis of the need for the increase, a discussion of how the increase will serve the public interest, convenience and necessity, and such assurance as staff may require, including documentation, that no undue hazard will result from operation of the line at the higher pressure.

(c) At least 60 days prior to increasing the maximum allowable operating pressure of a distribution system above the limits set below, the operator shall submit a letter of intent. In the event of an
emergency, verbal permission may be obtained, but the written notification must be filed promptly.

   (1) If the maximum allowable operating pressure is between 1/2 PSIG (3.4 kPa) and 60 PSIG (414 kPa), notice is required for an increase in pressure greater than six PSIG (41.4 kPa).

   (2) If the maximum allowable operating pressure is between 60 PSIG (414 kPa) and 124 PSIG (855 kPa), notice is required for an increase in pressure greater than 10 percent of the maximum allowable operating pressure.

   (3) Converting a low pressure distribution system to a high-pressure system not to exceed 124 PSIG (855 kPa).

255.553 General requirements.
(a) The pressure must be increased gradually, at a rate that can be controlled.
(b) Prior to the first pressure increase and at the end of each incremental increase, the pressure must be held constant while the entire segment of the pipeline that is affected is leakage surveyed.
(c) Each hazardous leak detected must be repaired before a further pressure increase is made. All leaks must be repaired as soon as possible following completion of the upgrading.
(d) Each operator who upgrades a segment of pipeline shall retain for the life of the segment a record of each investigation required by this Part, of all work performed, and of each pressure test conducted, in connection with the upgrading.
(e) Each operator who upgrades a segment of pipeline shall establish a written procedure that will ensure compliance with each applicable requirement of this Part.
(f) Except as provided in section 255.555(c) of this Part, the new maximum allowable operating pressure may not exceed the maximum that would be allowed under sections 255.619 and 255.621 of this Part for a new segment of pipeline constructed of the same materials in the same location. However, when uprating a steel pipeline, if any variable necessary to determine the design pressure under the design formula (section 255.105 of this Part) is unknown, the MAOP may be increased as provided in subparagraph 255.619(a)(1) of this Part.

255.555 Upgrading to a pressure of 125 PSIG (862 kPa) or more in steel pipelines.
(a) Unless the requirements of this section have been met, no person may subject any segment of a steel pipeline to a pressure that is 125 PSIG (862 kPa) or more and that is above the established maximum allowable operating pressure.
(b) Before increasing the operating pressure above the previously established maximum allowable operating pressure, the operator shall comply with the following requirements:
   (1) Review the design, operating, and maintenance history, and previous testing of the segment of pipeline and determine whether the proposed increase is safe and consistent with the requirements of this Part.
   (2) Make any repairs, replacements, or alterations in the segment of pipeline that are necessary for safe operation at the increased pressure.
   (3) Verify the condition of the pipe through the use of test
(4) Either prove compliance with the nondestructive testing requirements of sections 255.241(b) and 255.243(d) of this Part for the current class location or nondestructively test a sufficient number of welds to achieve compliance with the minimum percentages listed in section 255.243(d) of this Part for the current class location.

(5) Where nondestructive testing is required, the operator shall select welds within 150 feet (45.72 meters) of habitable structures until the minimum percentage is achieved.

(6) Establish adequate cathodic protection in compliance with section 255.463 of this Part.

(c) After complying with subdivision (b) of this section, an operator may increase the maximum allowable operating pressure of a segment of pipeline constructed before September 12, 1970 to the highest pressure that is permitted under section 255.619 of this Part, using as a test pressure the highest pressure to which the segment of pipeline was previously subjected (either in a strength test or in actual operation).

(d) After complying with subdivision (b) of this section, an operator that does not qualify under subdivision (c) of this section may increase the previously established maximum allowable operating pressure if at least one of the following requirements are met:

(1) The segment of pipeline is successfully tested in accordance with the requirements of this Part for a new line of the same material in the same location.

(2) An increased maximum allowable operating pressure may be established for a segment of pipeline in a Class 1 location if the line has not previously been tested, and if:

   (i) it is impractical to test it in accordance with the requirements of this Part;

   (ii) the new maximum operating pressure does not exceed 80 percent of that allowed for a new line of the same design in the same location; and

   (iii) the operator determines that the new maximum allowable operating pressure is consistent with the condition of the segment of pipeline and the design requirements of this Part.

(e) Where a segment of pipeline is upgraded in accordance with subdivision (c) or paragraph (d) (2) of this section, the increase in pressure must be made in increments that are equal to:

(1) 10 percent of the pressure before the upgrading; or

(2) 25 percent of the total pressure increase, which ever produces the fewer number of increments.

255.557 Upgrading to a pressure less than 125 PSIG (862 kPa).

(a) Unless the requirements of this section have been met, no person may subject a segment of steel or plastic pipeline to a higher maximum allowable operating pressure that is less than 125 PSIG (862 kPa).

(b) Increasing the maximum allowable operating pressure for cast iron, ductile iron, and wrought iron pipeline segments is prohibited without prior approval.

(c) Before increasing the operating pressure above the previously established maximum allowable operating pressure, the operator shall comply with the following requirements:

(1) review the design, operating and maintenance history of the segment of pipeline;

(2) make a leakage survey (if it has been more than one year since the
(2) Conduct a survey of the segment of pipeline to be operated at the increased pressure and repair any leaks that are found;

(3) make any repairs, replacements or alterations in the segment of pipeline that are necessary for safe operation at the increased pressure;

(4) for effectively coated steel systems, establish adequate cathodic protection in compliance with section 255.463 of this Part;

(5) for ineffectively coated or bare steel systems, perform a review for active corrosion, isolate and cathodically protect all coated segments and all services, and where active corrosion exists establish adequate cathodic protection in compliance with section 255.463 of this Part;

(6) reinforce or anchor offsets, bends and dead ends in pipe joined by compression couplings or bell and spigot joints to prevent failure of the pipe joint, if the offset, bend, or dead end is exposed in an excavation;

(7) isolate the segment of pipeline in which the pressure is to be increased from any adjacent segment that will continue to be operated at a lower pressure; and

(8) if the pressure in mains or service lines, or both, is to be higher than the pressure delivered to the customer, install a service regulator of adequate capacity on each service line and test each new or existing service regulator to verify that it is functioning properly and adequately vented in compliance with sections 255.355(b) and 255.744(e) of this Part. Pressure may be increased as necessary to test each regulator, after a regulator has been installed on each pipeline subject to the increased pressure.

(d) After complying with subdivision (c) of this section, the increase in maximum allowable operating pressure must be made in increments that are equal to 10 PSIG (69 kPa) or 25 percent of the total pressure increase, whichever produces the fewer number of increments. Whenever the requirements of paragraph (c) (8) of this section apply, there must be at least two approximately equal incremental increases.
(e) The Commission may require an operator to amend its operating and maintenance plan as necessary to provide a reasonable level of safety.

255.604 Operator qualification.
This section prescribes the minimum requirements for operator qualification of individuals performing covered tasks on a pipeline facility.

(a) Each operator shall have and follow a written qualification program. The program shall include provisions to:

(1) Identify covered tasks;
(2) Ensure through evaluation that individuals performing covered tasks are qualified;
(3) Allow individuals that are not qualified pursuant to this section to perform a covered task if directed and observed by an individual that is qualified;
(4) Evaluate an individual if the operator has reason to believe that the individual's performance of a covered task contributed to an incident requiring the submission of a report pursuant to 255.801(d) or is otherwise significant in the judgement of the operator;
(5) Evaluate an individual if the operator has reason to believe that the individual is no longer qualified to perform a covered task;
(6) Communicate changes that affect covered tasks to individuals performing those tasks;
(7) Identify those covered tasks and the intervals at which evaluation of the individual's qualifications is needed;
(8) After December 16, 2004, provide training, as appropriate, to ensure that individuals performing covered tasks have the necessary knowledge and skills to perform the tasks in a manner that ensures the safe operations of pipeline facilities; and
(9) After December 16, 2004, provide notification to the department if the operator significantly modifies the program after the department has verified that it complies with this section. Such notification shall also be made to U.S. Department of Transportation in accordance with 49 CFR § 192.805(i).

(b) Each operator shall maintain records that demonstrate compliance with this section.

(1) Qualification records shall include:
   (i) Identification of qualified individual(s);
   (ii) Identification of the covered tasks the individual is qualified to perform;
   (iii) Date(s) of current qualifications; and
   (iv) Qualification method(s).
(2) Records supporting an individual's current qualification shall be maintained while the individual is performing the covered task. Records of prior qualification and records of individuals no longer performing covered tasks shall be retained for a period of five years.

(c) Operators shall have a written qualification program by April 27, 2001.

(d) Operators must complete the qualification of individuals performing covered tasks by October 28, 2002.

(e) Work performance history may be used as a sole evaluation method for individuals who were performing a covered task prior to August 27, 1999.

(f) After October 28, 2002, work performance history may not be used
as a sole evaluation method.

(g) After December 16, 2004, observation of on-the-job performance may not be used as the sole method of evaluation.

255.605 Essentials of operating and maintenance plan.

Each operator shall include, as a minimum, the following in its operating and maintenance plan as applicable:

(a) detailed instructions for employees covering operating and maintenance procedures during normal operations and repairs;
(b) procedures required to be included by the provisions of the welding, joining, corrosion control, upgrading, operations, maintenance, and accidents and leaks sections of this Part;
(c) specific programs relating to facilities presenting the greatest hazard to public safety either in an emergency or because of extraordinary construction or maintenance requirements;
(d) provision for periodic inspections to ensure that operating pressures are appropriate for the class location;
(e) precautions to be taken when excavation is performed in the vicinity of any underground gas facility;
(f) procedures to correct, within specified time frames, deficiencies found during any inspections, evaluations, reviews, etc. required by this Part;
(g) criteria employed to determine business districts for the purpose of compliance with section 255.723(b)(1) of this Part;
(h) criteria employed to identify those conditions at leak hazard locations which necessitate that the interval between surveillances be shortened; and
(i) details of how an operator plans to comply with any requirement of this Part that is written in nonspecific language. For example, section 255.805(b) of this Part states that "Each operator shall... establish a means by which it determines the appropriate surveillance interval at leak locations under frost conditions..." the details required by this subdivision would necessitate the operator to specify the established means.
(j) instructions enabling personnel who perform operation and maintenance activities to recognize conditions that may be safety-related conditions that are subject to the reporting requirements of section 255.831 of this Part.
(k) Procedures for making construction records, maps, and operating history available to appropriate personnel;
(l) Procedures for start up and shut down of any section of pipeline in a manner designed to assure operation within the maximum allowable operating pressure limits prescribed by this Part, plus the build-up allowed for operation of pressure limiting and control devices;
(m) Procedures for maintaining compressor stations, including provisions for isolating units or sections of pipe and for purging before returning to service;
(n) Procedures for starting, operating, and shutting down gas compressor units;
(o) Procedures for periodic review of the work done by operator personnel to determine the effectiveness and adequacy of the procedures used in normal operation and maintenance and modifying the procedures when deficiencies are found;
(p) Procedures for adequate precautions in excavated trenches to
protect personnel from the hazards of unsafe accumulations of vapor or gas, and making available when needed at the excavation, emergency rescue equipment including a breathing apparatus and a rescue harness and line; and

(q) Responding promptly to a report of a gas odor inside or near a building, unless the operator's emergency procedures under paragraph 255.615(a)(3) specifically apply to these reports.

(r) For transmission lines, other than those operated in connection with the operator's distribution system, procedures for the following to provide safety when operating design limits have been exceeded:

1. responding to, investigating and correcting the cause of:
   (i) unintended closure of valves, or shutdowns;
   (ii) increase or decrease in pressure or flow rate outside normal operating limits;
   (iii) loss of communications;
   (iv) operation of any safety device; and
   (v) any other foreseeable malfunction of component, deviation from normal operation, or personnel error which may result in a hazard to persons or property.

2. checking variations from normal operation, after abnormal operation has ended, at sufficient critical locations in the system to determine continued integrity and safe operation.

3. notifying responsible operator personnel when notice of an abnormal operation is received.

4. periodically reviewing the response of operator personnel to determine the effectiveness of the procedures controlling abnormal operation and taking corrective action where deficiencies are found.

(s) Implementing the applicable control room management procedures required by section 255.631.

255.609 Change in class location: required study.

At least once every five years or whenever an increase in population density indicates either a change in class location for a segment of an existing steel pipeline operating at a hoop stress that is more than 40 percent of SMYS or that the hoop stress corresponding to the established maximum allowable operating pressure for a segment of existing pipeline is not commensurate with the present class location, the operator shall immediately make a study to determine:

(a) the present class location for the segment involved;

(b) the design, construction, and testing procedures followed in the original construction, and a comparison of these procedures with those required for the present class location by the applicable provisions of this Part;

(c) the physical condition of the segment to the extent it can be ascertained from available records;

(d) the operating and maintenance history of the segment;

(e) the maximum actual operating pressure and the corresponding operating hoop stress, taking pressure gradient into account, for the segment of pipeline involved; and

(f) the actual area affected by the population density increase, and physical barriers or other factors which may limit further expansion of the more densely populated area.

255.611 Change in class location: confirmation or revision of maximum
allowable operating pressure. (a) Within 60 days after the required study is completed, the operator shall submit a program for redesigning and/or testing the respective pipeline segments, or appropriate reduction of the maximum certified operating pressures thereof, to conform to the respective then current class locations, in accordance with this Part, or declare that the design, testing, and operation of the respective pipeline segments conform to the respective then current class locations.

(b) Where the hoop stress corresponding to the established maximum allowable operating pressure of a segment of pipeline is not commensurate with the present class location, and the segment is in satisfactory physical condition, the maximum allowable operating pressure of that segment of pipeline must be confirmed or revised.

(1) If the segment involved has been previously tested in place to at least 90 percent of its SMYS for a period of not less than eight hours, the maximum allowable operating pressure must be confirmed or reduced so that the corresponding hoop stress will not exceed 72 percent of SMYS in Class 2 locations, 60 percent of SMYS in Class 3 locations, or 50 percent of SMYS in Class 4 locations.

(2) If the segment involved has not been previously tested in place as described in paragraph (1) of this subdivision, the maximum allowable operating pressure must be reduced so that the corresponding hoop stress is not more than that allowed by this Part for new segments of pipelines in the existing class location.

(3) If the segment of pipeline involved has not been qualified for operation under paragraph (1) or (2) of this subdivision, it must be tested in accordance with the applicable requirements of this Part, and its maximum allowable operating pressure must then be established so as to be equal to or less than each of the following:

(i) The maximum allowable operating pressure after the requalification test is 0.8 times the test pressure for Class 2 locations, 0.667 times the test pressure for Class 3 locations, and 0.555 times the test pressure for Class 4 locations.

(ii) The maximum allowable operating pressure confirmed or revised in accordance with the section, may not exceed the maximum allowable operating pressure established before the confirmation or revision.

(iii) The corresponding hoop stress may not exceed 72 percent of SMYS in Class 2 locations, 60 percent of SMYS in Class 3 locations, or 50 percent of SMYS in Class 4 locations.

(c) Confirmation or revision of the maximum allowable operating pressure of segment of pipeline in accordance with this section does not preclude the application of sections 255.553 and 255.555 of this Part.

(d) Confirmation or revision of the maximum allowable operating pressure that is required as a result of a study under section 255.609 of this Part must be completed within 18 months of the change in class location.

(e) Pressure reduction under paragraph (b)(2) of this section within the 18-month period does not preclude establishing a maximum allowable operating pressure under paragraph (b) (3) of this section at a later date.

NYCRR 255.613 Continuing surveillance.

(a) Each operator shall have a procedure for continuing surveillance of its facilities to determine and take appropriate action concerning
changes in class location, failures, leakage history, corrosion, substantial changes in cathodic protection requirements, and other unusual operating and maintenance conditions.

(b) If a segment of pipeline is determined to be in unsatisfactory condition but no immediate hazard exists, the operator shall initiate a program to recondition or phase out the segment involved, or, if the segment cannot be reconditioned or phased out, reduce the maximum allowable operating pressure in accordance with section 255.619(a) and (b) of this Part.

255.614 Damage prevention program. (a) Each operator of a buried pipeline shall carry out a written program to prevent damage to that pipeline by excavation activities in accordance with 16 NYCRR Part 753, Protection of Underground Facilities. Each operator of a buried pipeline, except for gathering lines in Class 1 and 2 locations, must participate in the one-call notification system that covers the areas of the State in which those pipeline facilities are located.

(b) Where the operator has reason to believe damage could be done by the excavation activities, the pipeline must be inspected as frequently as necessary during and after the activities to verify the integrity of the pipeline.

(c) In the case of blasting, each inspection must include a leakage survey.

255.615 Emergency plans.

(a) Each operator shall establish written procedures to minimize the hazard resulting from a gas pipeline emergency. At a minimum, the procedures must provide for the following:

(1) receiving, identifying and classifying notices of events which require immediate response by the operator;

(2) establishing and maintaining adequate means of communication with appropriate fire, police and other public officials;

(3) prompt and effective response to a notice of each type of emergency, including the following:

(i) gas detected inside or near a building;

(ii) fire located near or directly involving a pipeline facility;

(iii) explosion occurring near or directly involving a pipeline facility; and

(iv) natural disaster;

(4) the availability of personnel, equipment, tools and materials, as needed at the scene of an emergency;

(5) actions directed toward protecting people first and then property;

(6) emergency shutdown and pressure reduction in any section of the operator's pipeline system necessary to minimize hazards to life or property;

(7) making safe any actual or potential hazard to life or property;

(8) notifying appropriate fire, police and other public officials of gas pipeline emergencies and coordinating with them both planned responses and actual responses during an emergency;

(9) safely restoring any service outage; and

(10) beginning action under section 255.827 of this Part, if applicable, as soon after the end of the emergency as possible.

(11) Actions required to be taken by a controller during an emergency in accordance with section 255.631.
(b) Each operator shall:
(1) furnish its supervisors who are responsible for emergency action a
copy of that portion of the latest edition of the emergency procedures
established under subdivision (a) of this section as necessary for
compliance with those procedures;
(2) train the appropriate operating personnel to assure that they are
knowledgeable of the emergency procedures and verify that the training
is effective; and
(3) review employee activities to determine whether the procedures
were effectively followed in each emergency.

(c) Each operator shall establish and maintain liaison with
appropriate fire, police and other public officials to:
(1) learn the responsibility and resources of each government
organization that may respond to a gas pipeline emergency;
(2) acquaint the officials with the operator's ability in responding
to a gas pipeline emergency;
(3) identify the types of gas pipeline emergencies of which the
operator notifies the officials;
(4) plan how the operator and officials can engage in mutual
assistance to minimize hazards to life or property; and
(5) offer annual training, at mutually acceptable locations, to
volunteer fire departments regarding the appropriate response to
gas-related emergencies and to police departments regarding the
recognition of gas-related emergencies. For nonvolunteer fire
departments, annually offer to assist the training coordinator in
developing training programs for gas safety-related matters.

255.616 Customer education and information program.

(a) Except for an operator of a petroleum gas system covered under
paragraph (j) of this section, each pipeline operator must develop and
implement a written continuing public education program that follows the
guidance provided in the American Petroleum Institute's (API)
Recommended Practice (RP) 1162 (as described in section 10.3 of the
Title).

(b) The operator's program must follow the general program
recommendations of API RP 1162 (as described in section 10.3 of the
Title) and assess the unique attributes and characteristics of the
operator's pipeline and facilities.

(c) The operator must follow the general program recommendations of
API RP 1162 (as described in section 10.3 of the Title), unless the
operator provides justification in its program or procedural manual as
to why compliance with all or certain provisions of the recommended
practice is not practicable and not necessary for safety.

(d) The operator's program must specifically include provisions to
educate the public, appropriate government organizations, and persons
engaged in excavation related activities on:
(1) use of a one-call notification system prior to excavation and
other damage prevention activities;
(2) possible hazards associated with unintended releases from a gas
pipeline facility;
(3) physical indications that such a release may have occurred;
(4) steps that should be taken for public safety in the event of a gas
pipeline release; and
(5) procedures for reporting such an event.
(e) The program must include activities to advise affected municipalities, school districts, businesses, and residents of pipeline facility locations.

(f) The program and the media used must be as comprehensive as necessary to reach all areas in which the operator transports gas.

(g) The program must be conducted in English and in other languages commonly understood by a significant number and concentration of the non-English speaking population in the operator's area.

(h) Operators in existence on June 20, 2005, must have completed their written programs no later than June 20, 2006. As an exception, operators of petroleum gas or petroleum gas/air distribution systems having less than 25 customers must have completed development and documentation of their programs no later than June 20, 2007. The operator of a petroleum gas system covered under paragraph (j) of this section must complete development of its written procedure by June 13, 2008.

(i) The operator's program documentation and evaluation results must be available for periodic review by appropriate regulatory agencies.

(j) Unless the operator transports gas as a primary activity, the operator of a master meter or a petroleum gas system is not required to develop a public awareness program as prescribed in subdivisions (a) through (g) of this section. Instead the operator must develop and implement a written procedure to provide its customers public awareness messages twice annually. If the petroleum gas system is located on property the operator does not control, the operator must provide similar messages twice annually to persons controlling the property. The public awareness message must include:

1. A description of the purpose and reliability of the pipeline;
2. An overview of the hazards of the pipeline and prevention measures used;
3. Information about damage prevention;
4. How to recognize and respond to a leak; and
5. How to get additional information.

(k) In addition, the program shall include annual distribution of plain language literature, news releases and commercial messages to advise the public of the importance of the inspection and cleaning of flues and chimneys on a periodic basis, regardless of the fuel used (particularly whenever converting to gas usage), and to provide information on identifying symptoms of carbon monoxide exposure including recommended remedial measures.

NYCRR 255.619 Maximum allowable operating pressure: steel or plastic pipelines.

(a) Except as provided in subdivision (c) of this section, no person may operate a segment of steel or plastic pipeline at a pressure that exceeds the lowest of the following:

1. the design pressure of the weakest element in the segment, determined in accordance with this Part;
2. the pressure obtained by dividing the pressure to which the segment was tested after construction as follows:
   (i) for plastic pipe in all locations, the test pressure is divided by a factor of 1.5;
   (ii) for steel pipe operated at 100 PSIG (689 kPa) or more, the test pressure is divided by a factor determined in accordance with the following table:
Factors

<table>
<thead>
<tr>
<th>Class Location</th>
<th>Installed before (Nov. 12, 1970)</th>
<th>Installed after (Nov. 11, 1970)</th>
<th>Converted under 255.14</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1.1</td>
<td>1.1</td>
<td>1.25</td>
</tr>
<tr>
<td>2</td>
<td>1.25</td>
<td>1.25</td>
<td>1.25</td>
</tr>
<tr>
<td>3</td>
<td>1.4</td>
<td>1.5</td>
<td>1.5</td>
</tr>
<tr>
<td>4</td>
<td>1.4</td>
<td>1.5</td>
<td>1.5</td>
</tr>
</tbody>
</table>

(3) the highest actual operating pressure to which the segment was subjected during the five years preceding July 1, 1970, unless the segment was tested in accordance with section 255.505 or 255.507 of this Part during the five-year period or the segment was upgraded in accordance with section 255.555 or 255.557 of this Part; The MAOP must not exceed the MAOP on August 30, 2011 if the MAOP is determined using this method.

(4) for furnace butt welded steel pipe, a pressure equal to 60 percent of the mill test pressure to which the pipe was subjected;

(5) for steel pipe other than furnace butt welded pipe, a pressure equal to 85 percent of the highest test pressure to which the pipe has been subjected, whether by mill test or by post installation test; or

(6) the pressure determined by the operator to be the maximum safe pressure after considering the history of the segment, particularly known corrosion and the actual operating pressure.

(b) No person may operate a segment to which paragraph (a)(6) of this section is applicable, unless overpressure protective devices are installed on the segment in a manner that will prevent the maximum allowable operating pressure from being exceeded, in accordance with section 255.195 of this Part.

(c) Notwithstanding the other requirements of this section, an operator may operate a segment of pipeline found to be in satisfactory condition, considering its operating and maintenance history, at the highest actual operating pressure to which the segment was subjected during the five years preceding July 1, 1970, subject to the requirements of section 255.611 of this Part.

(d) Notwithstanding the limitation of paragraph (a)(3) of this section, an operator may maintain a previously established maximum allowable operating pressure for a cathodically protected steel or plastic pipeline provided that, when the pressure is increased above the highest pressure to which it has been subjected during the last five years, it is leakage surveyed and all leaks found are repaired in accordance with this Part.

SO DOC 16B-255.621  
255.621 Maximum allowable operating pressure: high-pressure distribution systems.

(a) No person may operate a segment of a high-pressure distribution system at a pressure that exceeds the lowest of the following pressures, as applicable:

(1) the design pressure of the weakest element in the segment, determined in accordance with this Part;

(2) 60 PSIG (414 kPa), for a segment of a distribution system otherwise designated to operate at over 60 PSIG (414 kPa), unless the service lines in the segment are equipped with service regulators or other pressure limiting devices in series that meet the requirements of section 255.197(c) of this Part;
(3) 25 PSIG (172 kPa) in segments of cast iron pipe in which there are unreinforced bell and spigot joints;

(4) the pressure limits to which a joint could be subjected without the possibility of its parting; or

(5) the pressure determined by the operator to be the maximum safe pressure after considering the history of the segment, particularly known corrosion and the actual operating pressures.

(b) No person may operate a segment of pipeline to which paragraph (a) (5) of this section applies, unless overpressure protective devices are installed on the segment in a manner that will prevent the maximum allowable operating pressure from being exceeded, in accordance with section 255.195 of this Part.

NYCRR

255.623 Maximum and minimum allowable operating pressure: low-pressure distribution systems.

(a) No person may operate a low-pressure distribution system at a pressure high enough to make unsafe the operation of any connected and properly adjusted low-pressure gas burning equipment.

(b) No person may operate a low-pressure distribution system at a pressure lower than the minimum pressure at which the safe and continuing operation of any connected and properly adjusted low-pressure gas burning equipment can be assured.

(c) Each operator shall maintain a pressure throughout its low-pressure distribution systems, as measured at the consumer's end of the service line, of not less than 4 inches nor more than 12 inches of water column gauge.

(d) The maximum daily pressure variation shall not exceed a total range of 50 percent of the maximum gauge pressure experienced during the day at any point in the low-pressure distribution system, as measured at the consumer's end of the service line. Overpressure protection devices may be set at levels above the normal maximum operating pressure. The capacity of overpressure protection devices shall be sufficient to prevent a pressure buildup in excess of two PSIG 14 (kPa) on the low-pressure distribution system.

NYCRR

255.625 Odorization of gas.

(a) All gas transported in transmission lines, and distribution mains operating at 125 PSIG (862 kPa) or more, except gas in route to storage fields via a transmission pipeline line that transported gas without an odorant from that line before May 5, 1975, is to be adequately odorized in compliance with subdivision 255.625 (c) of this section so as to render it readily detectable by the public and employees of the operator at all gas concentrations of one fifth of the lower explosive limit and above.

(b) All gas transported in distribution mains, except as provided for in subdivision (a) of this section, and service laterals is to be adequately odorized in compliance with subdivision (c) of this section so as to render it readily detectable by the public and employees of the operator at all gas concentrations of one tenth of the lower explosive limit and above.

(c) In the concentrations at which it is used, the odorant in combustible gases must comply with the following requirements:

(1) The odorant may not be deleterious to persons, materials or pipe.

(2) The products of combustion from the odorant may not be toxic when
breathed nor may they be corrosive or harmful to those materials to which the products of combustion will be exposed.

(3) The odorant may not be soluble in water to an extent greater than 2.5 parts to 100 parts by weight.

(d) Odorization equipment must be designed and maintained so as to ensure the required odorant level in the gas under varying conditions. The equipment must be installed so that it does not cause a nuisance to nearby residents by the escape of odorant fumes.

(e) Each operator shall establish procedures to conduct periodic sampling of combustible gases to assure the proper concentration of odorant in accordance with this section. An appropriate record of all odorization practices shall be maintained.

(f) Every operator shall maintain records setting forth the types of odorizing equipment and odorants used, the ratios of odorant to gas, and the locations of odorization stations.

SO DOC 16B-255.627                              NYCRR
255.627 Tapping pipelines under pressure. Each tap made on a pipeline under pressure must be performed by a crew qualified to make hot taps.

SO DOC 16B-255.629                              NYCRR
255.629 Purging of pipelines. All purging shall be carried out in accordance with Purging Principles and Practice (as described in section 10.3 of this Title), published by the American Gas Association, Inc.

SO DOC 16B-255.631                              NYCRR
255.631 Control room management.

(a) General.

(1) This section applies to each operator of a pipeline facility with a controller working in a control room who monitors and controls all or part of a pipeline facility through a SCADA system. Each operator must have and follow written control room management procedures that must implement the requirements of this section, except that for each control room where an operator's activities are limited to either or both of:

(i) Distribution with less than 250,000 services, or

(ii) Transmission without a compressor station, the operator must have and follow written procedures that implement only paragraphs (d) (regarding fatigue) and (i) (regarding compliance and deviations) of this section.

(2) The procedures required by this section must be integrated, as appropriate, with operating and emergency procedures required by sections 255.605 and 255.615. An operator must develop the procedures no later than August 1, 2011 and must implement the procedures according to the following schedule. The procedures required by paragraphs (b), (c)(5), (d)(2) and (d)(3), (f) and (g) of this section must be implemented no later than October 1, 2011. the procedures required by paragraphs (c)(1) through (4), (d)(1), (d)(4) and (e) of this section must be implemented no later than August 1, 2012. The training procedures required by paragraph (h) of this section must be implemented no later than August 1, 2012, except that any training required by another paragraph of this section must be implemented no later than the deadline for that paragraph.

(b) Roles and responsibilities. Each operator must define the roles and responsibilities of a controller during normal, abnormal, and emergency operating conditions. To provide for a controller's prompt and appropriate response to operating conditions, an operator must define each of the following:
(1) A controller's authority and responsibility to make decisions and take actions during normal operations;

(2) A controller's role when an abnormal operating condition is detected, even if the controller is not the first to detect the condition, including the controller's responsibility to take specific actions and to communicate with others;

(3) A controller's role during an emergency, even if the controller is not the first to detect the emergency, including the controller's responsibility to take specific actions and to communicate with others;

(4) A method of recording controller shift-changes and any hand-over of responsibility between controllers; and

(5) The roles, responsibilities and qualifications of others with the authority to direct or supersede the specific technical actions of a controller.

(c) Provide adequate information. Each operator must provide its controllers with the information, tools, processes and procedures necessary for the controllers to carry out the roles and responsibilities the operator has defined by performing each of the following:

(1) Implement sections 1, 4, 8, 9, 11.1, and 11.3 of API RP 1165 (as described in Section 10.3 of this Title), whenever a SCADA system is added, expanded or replaced, unless the operator demonstrates that certain provisions of sections 1, 4, 8, 9, 11.1, and 11.3 of API RP 1165 are not practical for the SCADA system used;

(2) Conduct a point-to-point verification between SCADA displays and related field equipment when field equipment is added or moved and when other changes that affect pipeline safety are made to field equipment of SCADA displays;

(3) Test and verify an internal communication plan to provide adequate means for manual operation of the piping safely, at least once each calendar year, but at intervals not to exceed 15 months;

(4) Test any backup SCADA systems at least once each calendar year, but at intervals not to exceed 15 months; and

(5) Establish and implement procedures for when a different controller assumes responsibility, including the content of information to be exchanged.

(d) Fatigue mitigation. Each operator must implement the following methods to reduce the risk associated with controller fatigue that could inhibit a controller's ability to carry out the roles and responsibilities the operator has defined:

(1) Establish shift lengths and schedule rotations that provide controllers off-duty time sufficient to achieve eight hours of continuous sleep;

(2) Educate controllers and supervisors in fatigue mitigation strategies and how off-duty activities contribute to fatigue;

(3) Train controllers and supervisors to recognize the effects of fatigue; and

(4) Establish a maximum limit on controller hours-of-service, which may provide for an emergency deviation from the maximum limit if necessary for the safe operation of a pipeline facility.

(e) Alarm management. Each operator using a SCADA system must have a written alarm management plan to provide for effective controller response to alarms. An operator's plan must include provisions to:

(1) Review SCADA safety-related alarm operations using a process that
ensures alarms are accurate and support safe pipeline operations;

(2) Identify at least once each calendar month points affecting safety
that have been taken off scan in the SCADA host, have had alarms
inhibited, generated false alarms, or that have had forced or manual
values for periods of time exceeding that required for associated
maintenance or operating activities;

(3) Verify the correct safety-related alarm set-point values and alarm
descriptions at least once each calendar year, but at intervals not to
exceed 15 months;

(4) Review the alarm management plan required by this paragraph at
least once each calendar year, but at intervals not exceeding 15 months,
to determine the effectiveness of the plan;

(5) Monitor the content and value of general activity being directed
to and required of each controller at least once each calendar year, but
at intervals not to exceed 15 months, that will assure controllers have
sufficient time to analyze and react to incoming alarms; and

(6) Address deficiencies identified through the implementation of
paragraphs (e)(1) through (e)(5) of this section.

(f) Change management. Each operator must assure that changes that
could affect control room operations are coordinated with the control
room personnel by performing each of the following:

(1) Establish communications between control room representatives,
operator's management, and associated field personnel when planning and
implementing physical changes to pipeline equipment or configuration;

(2) Require its field personnel to contact the control room when
emergency conditions exist and when making field changes that affect
control room operations; and

(3) Seek control room or control room management participation in
planning prior to implementation of significant pipeline hydraulic or
configuration changes.

(g) Operating experience. Each operator must assure that lessons
learned from its operating experience are incorporated, as appropriate,
into its control room management procedures by performing each of the
following:

(1) Review incidents that must be reported pursuant to 49 CFR part 191
to determine if control room actions contributed to the event and, if
so, correct, where necessary, deficiencies related to:

(i) Controller fatigue;
(ii) Field equipment;
(iii) The operation of any relief device;
(iv) Procedures;
(v) SCADA system configuration; and
(vi) SCADA system performance.

(2) Include lessons learned from the operator's experience in the
training program required by this section.

(h) Training. Each operator must establish a controller training
program and review the training program content to identify potential
improvements at least once each calendar year, but at intervals not to
exceed 15 months. An operator's program must provide for training each
controller to carry out the roles and responsibilities defined by the
operator. In addition, the training program must include the following
elements:

(1) Responding to abnormal operating conditions likely to occur
simultaneously or in sequence;
(2) Use of a computerized simulator or non-computerized (tabletop) method for training controllers to recognize abnormal operating conditions;

(3) Training controllers on their responsibilities for communication under the operator's emergency response procedures;

(4) Training that will provide a controller a working knowledge of the pipeline system, especially during the development of abnormal operating conditions;

(5) For pipeline operating setups that are periodically, but infrequently used, providing an opportunity for controllers to review relevant procedures in advance of their application; and

(6) Control room team training and exercises that include both controllers and other individuals, defined by the operator, who would reasonably be expected to operationally collaborate with controllers (control room personnel) during normal, abnormal or emergency situations. Operators must comply with the team training requirements under this subdivision by no later than January 23, 2018.

(i) Compliance and deviations. An operator must maintain for review during inspection:

(1) Records that demonstrate compliance with the requirements of this section; and

(2) Documentation to demonstrate that any deviation from the procedures required by this section was necessary for the safe operation of a pipeline facility.

255.701 Scope.

Sections 255.703 through 255.757 of this Part prescribe minimum requirements for maintenance of pipeline facilities.

255.703 General.

(a) No person may operate a segment of pipeline, unless it is maintained in accordance with this Part.

(b) Each segment of pipeline that becomes unsafe must be replaced, repaired or removed from service.

(c) The provisions of: sections 255.705, 255.706, 255.709, 255.711, 255.713, 255.715, 255.717 and 255.719 of this Part shall pertain, as applicable, to all transmission lines, and all distribution mains operating at 125 PSIG (862 kPa) or more in Class 3 and 4 locations.

255.705 Transmission lines: patrolling.

(a) Each operator shall have a patrol program to observe surface conditions on and adjacent to transmission line rights-of-way, and distribution line rights-of-way where the distribution line operates at 125 PSIG (862 kPa) or more in a Class 3 or 4 location, for indications of leaks, construction activity, and other factors affecting safety and operation.

(b) The frequency of patrols is determined by the size of the line, the operating pressures, the class location, terrains, weather, and other relevant factors, but intervals between patrols may not be longer than prescribed in the following tables:

<table>
<thead>
<tr>
<th>Class location of line</th>
<th>Maximum interval between patrols</th>
</tr>
</thead>
<tbody>
<tr>
<td>At highway and railroad crossings</td>
<td>At all other locations</td>
</tr>
</tbody>
</table>
SO DOC 16B-255.706

255.706 Transmission lines: leakage surveys.

(a) A leakage survey of each transmission line, and distribution main operating at 125 PSIG (862 kPa) or more in a Class 3 or 4 location, must be conducted at intervals not exceeding 15 months, but at least once each calendar year.

(b) Leaks located shall be investigated promptly, and necessary action shall be taken in accordance with sections 255.805 and 255.807 of this Part.

SO DOC 16B-255.707

255.707 Line markers for mains and transmission lines. (a) Except as provided in subdivision (b) of this section, a line marker must be placed and maintained as close as practical over each buried main and transmission line:

(1) at each crossing of a public road, railroad and navigable waterway; and
(2) wherever else necessary to identify the location of the main or transmission line to reduce the possibility of damage or interference.

(b) Line markers are not required for buried mains in Class 3 or 4 locations where a damage prevention program is in effect under section 255.614 of this Part. Line markers are not required for buried transmission lines in Class 3 or 4 locations where placement of a marker is impractical.

(c) Line markers must be placed and maintained along each section of a main and transmission line that is located aboveground in an area accessible to the public.

(d) The following must be written legibly on a background of sharply contrasting color on each line marker other than at navigable waterways:

(1) the word "Warning," "Caution" or "Danger" followed by the words "Gas" (or name of gas transported) "Pipeline," all of which, except for markers in heavily developed urban areas, must be in letters at least one inch high with one-quarter inch stroke; and
(2) the name of the operator and a telephone number (including area code) where the operator can be reached at all times.

(e) Each line marker at a navigable waterway shall have the following characteristics:

(1) a sign, rectangular in shape, with a narrow strip along each edge colored international orange and the area between lettering on the sign and boundary strips colored white;
(2) written on the sign in block style, black letters the word "Warning," "Caution" or "Danger" followed by the words "Do not anchor or dredge" and the words "Gas Pipeline Crossing";
(3) the name of the operator and the telephone number (including area code) where the operator can be reached at all times; and
(4) in overcast daylight, the sign is visible and the writing required.
by paragraph (2) of this subdivision is legible, from approaching or passing vessels that may damage or interfere with the pipeline.

255.709 Transmission lines: recordkeeping.

Each operator shall keep records covering each leak discovered, repair made, and line break for as long as the segment of transmission line, or distribution main operating at 125 PSIG (862 kPa) or more in a Class 3 or 4 location, involved remains in service. (See section 255.17 of this Part.)

255.711 Transmission lines: general requirements for repair procedures.

(a) Temporary repairs. Each operator must take immediate temporary measures to protect the public whenever:

(1) a leak, imperfection, or damage that impairs its serviceability is found in a segment of steel transmission line, or distribution main operating at 125 PSIG (862 kPa) or more in a Class 3 or 4 location; and

(2) it is not feasible to make a permanent repair at the time of discovery.

(b) Permanent repairs. An operator must make permanent repairs on its pipeline system according to the following:

(1) Non integrity management repairs: The operator must make permanent repairs as soon as feasible.

(2) Integrity management repairs: When an operator discovers a condition on a pipeline covered under Subpart O-Gas Transmission Pipeline Integrity Management, the operator must remediate the condition as prescribed by paragraph 255.933(d).

(c) Welded patch. Except as provided in paragraph 255.717(b)(3), no operator may use a welded patch as a means of repair.

255.713 Transmission lines: permanent field repair of imperfections and damages.

(a) Each imperfection or damage that impairs the serviceability of a segment of steel transmission line, or distribution main operating at 125 PSIG (860 kPa) or more in a Class 3 or 4 location, must be repaired according to the following requirements:

(1) If it is feasible to take the segment out of service, the imperfection or damage must be removed by cutting out a cylindrical piece of pipe and replacing it with pipe of similar or greater design strength.

(2) If it is not feasible to take the segment out of service, the imperfection or damage must be repaired by a method that reliable engineering tests and analyses show can permanently restore the serviceability of the pipe.

(b) If the segment is not taken out of service, the operating pressure must be reduced to a safe level during the repair operations.

255.715 Transmission lines: permanent field repair of welds.

Each weld that is unacceptable under section 255.241(c) of this Part must be repaired according to the following requirements:

(a) If it is feasible to take the segment of transmission line, or distribution main operating at 125 PSIG (862 kPa) or more in a Class 3 or 4 location, out of service, the weld must be repaired in accordance with the applicable requirements of section 255.245 of this Part.
(b) A weld maybe repaired in accordance with section 255.245 of this Part while the segment is in service if:
   (1) the weld is not leaking;
   (2) the pressure in the segment is reduced so that it does not produce a stress that is more than 20 percent of SMYS; and
   (3) grinding of the defective area can be limited so that at least 1/8-inch thickness in the pipe weld remains.
   (c) A defective weld which cannot be repaired in accordance with subdivision (a) or (b) of this section must be repaired by installing a full encirclement welded split sleeve of appropriate design.

255.717 Transmission lines: permanent field repair of leaks.
Each permanent field repair of a leak on a transmission line, or distribution main operating at 125 PSIG (862 kPa) or more in a Class 3 or 4 location, must be made according to the following requirements:
(a) If feasible, the segment must be taken out of service and repaired by cutting out a cylindrical piece of pipe and replacing it with pipe of similar or greater design strength.
(b) If it is not feasible to take the segment out of service, repairs must be made by one of the following methods:
   (1) Install a full encirclement welded split sleeve of appropriate design.
   (2) If the leak is due to a corrosion pit, the repair may be made by installing a properly designed bolt-on-leak clamp; if the leak is due to a corrosion pit and is on pipe with a SMYS of not more than 40,000 psi (267 MPa), the repair may be made by fillet welding a steel plate patch with rounded corners, of the same or greater thickness than the pipe, and not more than one-half of the diameter of the pipe in size.
   (3) Apply a method that reliable engineering tests and analyses show can permanently restore the serviceability of the pipe.

255.719 Transmission lines: testing of repairs.
(a) If a segment of transmission line, or distribution main operating at 125 PSIG (862 kPa) or more in a Class 3 or 4 location, is repaired by cutting out the damaged portion of the pipe as a cylinder, the replacement pipe must be tested to the pressure required for a new line installed in the same location. This test may be made on the pipe before it is installed provided nondestructive tests meeting the requirements of section 255.243 of this Part are made on all field girth butt welds after installation.
(b) Emergency pipe when retained in stock shall be tested before storage at 90 percent of SMYS or one and one-half times the certified operating pressure, whichever is less. Such pipe shall be appropriately marked and test records retained.
(c) Each repair made by welding in accordance with sections 255.713, 255.715 and 255.717 of this Part must be examined in accordance with section 255.241 of this Part.

255.721 Distribution systems: patrolling.
(a) The frequency of patrolling mains must be determined by the severity of the conditions which could cause failure or leakage, and the consequent hazards to public safety.
(b) Mains in places or on structures where anticipated physical movement or external loading could cause failure or leakage must be
patrolled at intervals not exceeding 4 1/2 months, but at least four
times each calendar year.

(c) Distribution lines operating at 125 PSIG (862 kPa) or more in
Class 3 and 4 locations must comply with the transmission patrolling
requirements in section 255.705 of this Part.

255.723 Distribution systems: leakage surveys and procedures.
(a) Each operator of a distribution system shall provide for periodic
leakage surveys in its operating and maintenance plan. Leaks located by
these surveys shall be investigated promptly and necessary action shall
be taken in accordance with sections 255.805 and 255.807 of this Part.
(b) The type and scope of the leakage control program must be
determined by the nature of the operations and the local conditions, but
it must meet the following minimum requirements.
(1) A leakage survey with leak detector equipment shall be conducted
at intervals not exceeding 15 months, but at least once each calendar
year, in business districts within the operator's gas franchise area
including tests of the atmosphere of gas, electric, telephone, sewer,
and water system manholes, at cracks in pavement, at the curbline, in
the sidewalk, and at other locations providing an opportunity for
finding gas leaks.
(2) Leakage surveys of the distribution system outside of business
districts, must be made as frequently as necessary, but at least once
every 5 calendar years at intervals not exceeding 63 months.
(3) If the operator employs leakage history to determine areas of
active corrosion, the leakage survey frequency shall at least once every
3 calendar years at intervals not exceeding 39 months on mains and
service lines.
(c) Distribution lines operating at 125 PSIG (862 kPa) or more and
located in Class 3 and 4 locations must comply with the transmission
line leakage survey requirements in section 255.706 of this Part.

255.725 Test requirements for reinstating service lines. (a) Except as
provided in subdivision (e) of this section, each disconnected service
line must be tested in accordance with this section before being
reinstated; however, if provisions are made to maintain continuous
service, such as by installation of a bypass, any part of the original
service line used to maintain continuous service need not be tested. The
limits of the test shall be in accordance with section 255.511(g) of
this Part.
(b) For each service line to be operated at a pressure of not more
than 20 PSIG (138 kPa), the test pressure shall be 50 PSIG (345 kPa) or
times the maximum allowable operating pressure, whichever is
greater.
(c) For each service line to be operated at more than 20 PSIG (138
kPa) but not more than 60 PSIG (414 kPa), the test pressure shall be 90
PSIG (621 kPa).
(d) For each service line to be operated at more than 60 PSIG (414
kPa), the test pressure shall be 1.5 times the maximum allowable
operating pressure.
(e) All exposed connections on low-pressure service lines temporarily
disconnected from the main because of main renewals or other planned
work shall be soap-tested at operating pressure and the entire service
line shall be checked for leakage with a combustible gas indicator both
at the time of turn on and on the following day.

255.726 Inactive service lines.
(a) All inactive service lines, including stubs, must be inspected, leakage surveyed and maintained according to the applicable provisions of this Part.
(b) Inactive steel service lines not under cathodic protection, including stubs, may remain under the conditions established by section 255.727(d) of this Part for a period of not more than six years subject to the following conditions:
(1) During the third year of inactivity, the operator must conduct a survey for potential future use and, if there is no definite plan for future use, disconnect the service at the main or in compliance with subdivision (d) of this section, purge the service and seal the open end.
(2) In active service lines for which there is a definite plan for future use may remain under the conditions established by section 255.727(d) of this Part for an additional three-year period provided the operator either reactivates the service or disconnects the service at the main or in compliance with subdivision (d) of this section, purges the service and seals the open ends by the end of the sixth year of inactivity.
(c) Whenever the service connection to the main is located under pavement, an inactive service line may be disconnected in an unpaved area but no closer than 10 feet (3 meters) to the building subject to the following requirements:
(1) Records of inactive service stubs shall be maintained and the locations of these facilities shall be clearly noted on maps or records of the gas distribution system. This information will be used in marking these facilities prior to third-party excavation activities and for use in leakage survey and leakage investigation procedures.
(2) Any steel service stub shall have an appropriately sized sacrificial anode attached consistent with good cathodic protection practices.
(d) Whenever an inactive service line or service stub is exposed at the main in association with other operation, maintenance, or construction activities, it must be disconnected at the main, purged, and the open end sealed unless there is a definite plan for future use.
(e) Whenever an inactive service line or service stub is found to be leaking or is damaged, it must be disconnected at the main, purged, and the open end sealed.

255.727 Abandonment or inactivation of facilities.
(a) Each operator shall provide in its operating and maintenance plan for abandonment or deactivation of pipelines, including provisions for meeting each of the requirements of this section.
(b) Each pipeline abandoned in place must be disconnected from all sources and supplies of gas; purged of gas; and sealed at the ends except that the pipeline need not be purged when the volume of gas is so small that there is no potential hazard.
(c) Except for service lines, each inactive pipeline that is not being maintained under this Part must be disconnected from all sources and supplies of gas; purged of gas; and sealed at the ends except that the pipeline need not be purged when the volume of gas is so small that
there is no potential hazard.

(d) Whenever service to a customer is discontinued, one of the following apply:

1. The valve that is closed to prevent the flow of gas to the customer must be provided with a locking device or other means designed to prevent the opening of the valve by persons other than those authorized by the operator.

2. A mechanical device or fitting that will prevent the flow of gas must be installed in the service line or in the meter assembly.

3. The customer's piping must be physically disconnected from the gas supply and the open pipe ends sealed.

(e) If air is used for purging, the operator shall ensure that a combustible mixture is not present after purging.

(f) Each abandoned vault must be filled with a suitable compacted material.

(g) For each abandoned pipeline facility that crosses over, under or through a commercially navigable waterway, the last operator of that facility shall file a report upon abandonment of that facility in accordance with 49 CFR 192.727(g) (as described in section 10.2 of this Title).

255.729 Compressor stations: procedures for gas compressor units. Each operator shall establish starting, operating, and shutdown procedures for gas compressor units.

255.731 Compressor stations: inspection and testing of relief devices.

(a) Except for rupture discs, each pressure relieving device in a compressor station must be inspected and tested in accordance with sections 255.739 and 255.743 of this Part, and must be operated periodically to determine that it opens at the correct set pressure.

(b) Any defective or inadequate equipment found must be promptly repaired or replaced.

(c) Each remote control shutdown device must be inspected and tested at intervals not exceeding 15 months, but at least once each calendar year, to determine that it functions properly.

255.732 Compressor stations: additional inspections. (a) All stations shall be inspected for excessive vibration in control piping. All suspect configurations shall be corrected promptly.

(b) All automatic combustible gas alarm and automatic shut-off valve systems in compressor stations shall be inspected weekly.

255.733 Compressor stations: isolation of equipment for maintenance or alterations. Each operator shall establish procedures for maintaining compressor stations, including provisions for isolating units or sections of pipe and for purging before returning to service.

255.735 Compressor stations: storage of combustible materials.

(a) Flammable or combustible materials in quantities beyond those required for everyday use, or other than those normally used in compressor buildings, must be stored a safe distance from the compressor building.

(b) Above ground oil or gasoline storage tanks must be protected in accordance with NFPA-30 (as described in section 10.3 of this Title).
Compressor stations: Gas detection.

(a) Each compressor building in a compressor station must have a fixed gas detection and alarm system, unless the building is:
   (1) constructed so that at least 50 percent of its upright side area is permanently open; or
   (2) located in an unattended field compressor station of 1,000 horsepower (746kW) or less.

(b) Except where shutdown of the system is necessary for maintenance under subdivision (c) of this section, each gas detection and alarm system required by this section must:
   (1) continuously monitor the compressor building for a concentration of gas in air of not more than 25 percent of the lower explosive limit; and
   (2) if that concentration of gas is detected, warn persons about to enter the building and persons inside the building of the danger.

(c) Each gas detection and alarm system required by this section must be maintained to function properly. The maintenance must include performance tests.

Pipe-type and bottle-type gas holders. Whenever a pipe-type or bottle-type gas holder is found, it shall be removed or abandoned unless specific approval is granted for its continued use.

Pressure-limiting and -regulating stations: inspection and testing.

(a) Each pressure-limiting station, relief device (except rupture discs), and pressure-regulating station and its equipment must be subjected, at intervals not exceeding 15 months, but at least once each calendar year, to inspections and tests to determine that:
   (1) it is in good mechanical condition;
   (2) it is adequate from the standpoint of capacity and reliability of operation for the service in which it is employed;
   (3) except as provided in subdivision (b) of this section, it is set to function at the correct pressure consistent with the pressure limits of section 255.201(b) of this part; and
   (4) it is properly installed and protected from dirt, liquids or other conditions that might prevent proper operation.

(b) For steel pipelines whose MAOP is determined under section 192.619(c) of this Part, if the MAOP is 60 psi (414 kPa) gage or more, the control or relief pressure limit is as follows:

<table>
<thead>
<tr>
<th>If the MAOP produces a hoop stress that is:</th>
<th>Then the pressure limit is:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Greater than 72 percent of SMYS</td>
<td>MAOP plus 4 percent.</td>
</tr>
<tr>
<td>Unknown as a percentage of SMYS</td>
<td>A pressure that will prevent unsafe operation of the pipeline considering its operating and maintenance history and MAOP.</td>
</tr>
</tbody>
</table>

(c) If during the annual or any other regulating station inspection, the inspector finds that the regulator is not adequately protected from dirt or liquids, or does not respond properly to performance tests, an internal inspection shall be conducted and parts thereof overhauled to
the extent necessary.

(d) The operating condition of all operating pressure regulator stations except field regulators shall be inspected at least once each month. Such inspection shall include proper tests for gas leaks. A test with a combustible gas indicating instrument shall be conducted in all operating regulator stations contained in vaults, pits or other enclosed below grade and any unventilated aboveground building areas.

(e) All stations shall be inspected periodically for excessive vibration in control piping. All suspect configuration shall be corrected promptly.

(f) All combustible gas alarm systems shall be inspected in accordance with the manufacturer's recommended instructions.

255.740 Pressure regulating, limiting, and overpressure protection - Individual service lines directly connected to production, gathering, or transmission pipelines.

(a) This section applies, except as provided in subdivision (c) of this section, to any service line directly connected to a production, gathering, or transmission pipeline that is not operated as part of a distribution system.

(b) Each pressure regulating or limiting device, relief device (except rupture discs), automatic shutoff device, and associated equipment must be inspected and tested at least once every three calendar years, not exceeding 39 months, to determine that it is:

(1) In good mechanical condition;

(2) Adequate from the standpoint of capacity and reliability of operation for the service in which it is employed;

(3) Set to control or relieve at the correct pressure consistent with the pressure limits of section 255.197 of this Part; and to limit the pressure on the inlet of the service regulator to 60 psi (414kPa) gauge or less in case the upstream regulator fails to function properly; and

(4) Properly installed and protected from dirt, liquids, or other conditions that might prevent proper operation.

(c) This section does not apply to equipment installed on service lines that only serve engines that power irrigation pumps.

255.741 Pressure-limiting and -regulating stations: telemetering or recording gauges.

(a) Each distribution system supplied by more than one district pressure-regulating station must be equipped with telemetering or recording pressure gauges to indicate the gas pressure in the district.

(b) On distribution systems supplied by a single district pressure-regulating station, the operator shall determine the necessity of installing telemetering or recording gauges in the district, taking into consideration the number of customers supplied, the operating pressures, the capacity of the installation, and other operating conditions.

(c) For low-pressure distribution systems, the telemetering or recording pressure gauges are to be located at, or near each district regulator outlet and the probable locations of minimum pressures in each part of the system.

(d) The accuracy of each recording pressure gauge provided and maintained by each operator at the locations required herein shall be tested at intervals not exceeding 15 months, but at least once each
calendar year. The results of the tests shall be recorded.

(e) Each chart removed from a recording pressure gauge shall be reviewed for indications of abnormally high or low pressure. If there are indications of abnormally high or low pressure, the regulator and the auxiliary equipment must be inspected and the necessary measures taken to correct any unsatisfactory operating conditions.

(f) Each chart removed from a recording pressure gauge shall be marked with the name of the operator, the location of the gauge, the date that it was placed upon the gauge, and the date that it was removed from the gauge prior to its filing.

255.743 Pressure-limiting and -regulating stations: testing relief device. (a) Overpressure protection devices shall be tested in place annually to determine if they are in proper working condition. They are to be subjected to such maintenance and overhaul as may be indicated by said tests. Overpressure protection devices used solely for the protection of "fuel piping" as, for example, to compressors at the compressor stations, shall be tested and inspected in like manner.

(b) Nonworking monitoring regulator equipment shall be subject to an annual performance test and shall be internally inspected and overhauled if so required by the results of the test.

(c) An annual review of the required capacity of the relieving equipment at each station shall be made and these required capacities compared with the calculated or experimentally determined recorded relieving capacity of the installed equipment for the operating conditions under which it works.

(d) If the relieving equipment is of insufficient capacity, a new or additional device shall be installed to provide the additional capacity required or the station regulator capacity reduced commensurate with the existing relief capacity.

255.744 Service regulators and vents: inspection. (a) Each operator shall inspect each service regulator when it is installed, at the time of periodic meter change, and at the time a service which has been inactive for a period of two years or more is reactivated to service.

(b) An operator may elect to inspect service regulators at intervals not to exceed 20 years in lieu of inspection at the time of periodic meter change.

(c) Service regulators serving multiple meter installations need not be inspected at the time of each individual meter change, however, each associated regulator shall be inspected at least once each 20 years.

(d) The inspection of the service regulator shall include the following tests:

(1) An outlet pressure test shall be taken under minimum load conditions. Minimum load condition, for purposes of this paragraph, shall mean no load or pilot load only. The pressure limits of this test shall be as established by this Part.

(2) The operational pressure test shall be taken on the outlet side of the regulator with one or more appliances in operation. The acceptable limits of pressure shall be as established by this Part.

(e) Each operator shall inspect each service regulator associated vent whenever the service regulator is inspected. This inspection shall include a test for the presence of gas, proper location of vent terminus, proper size, and proper installation of a weather-insect
resistant fitting and verification by an inside the building inspection that the vent line piping is continuous and is properly connected to the regulator. Immediate remedial action shall be taken if any of these items do not pass inspection.

255.745 Valve maintenance: transmission lines.
(a) Each transmission line valve must be inspected and partially operated at intervals not exceeding 15 months, but at least once each calendar year.
(b) Each operator must take prompt remedial action to correct any valve found inoperable.
(c) The location of all valves in transmission lines shall be designated on appropriate records, drawings or maps in relation to aboveground structures, so that the valves and associated access covers can be readily located when the ground is covered with snow and ice. Since there may be changes or alterations in aboveground structures over a period of time, the accuracy of the reference points established shall be verified at the time of the periodic inspection.
(d) At the time of the periodic inspection, valves will be checked for external leakage.

255.747 Valve maintenance: distribution systems.
(a) Each valve, the use of which may be necessary for the safe shutdown or sectionalization of a distribution system, must be inspected and partially operated at intervals not exceeding 15 months, but at least once each calendar year. Included are the principal shut-off valves at district regulator stations and pressure-limiting devices.
(b) Each operator must take prompt remedial action to correct any valve found inoperable, unless the operator designates an alternative valve.
(c) The location of all valves in distribution systems that may be required during an emergency shall be designated on appropriate records, drawings or maps, in relation to aboveground structures, so that the valves and associated access covers can be readily located when the ground is covered with snow and ice. Since there may be changes or alterations in aboveground structures over a period of time, the accuracy of the reference points established shall be verified at the time of the periodic inspection.
(d) At the time of the periodic inspection, valves will be checked for external leakage.

255.748 Valve maintenance: service line valves.
(a) Except as provided in subdivision (b) of this section, buried high-pressure service line valves or exposed exterior high-pressure service line valves shall be inspected in conjunction with the service regulator inspection required under section 255.744 of this Part.
(b) Buried service line valves used for compliance with section 255.365(b)(2) of this Part shall be inspected at intervals not exceeding 15 months, but at least once each calendar year, for accessibility, key alignment and external leakage.
(c) Each buried service line valve inspection shall determine accessibility, key alignment and tests for external leakage. Each exposed exterior service line valve shall be inspected for accessibility and external leakage.
255.749 Vault maintenance.

(a) Each vault housing pressure-regulating and pressure-limiting equipment, and having a volumetric internal content of 200 cubic feet (5.66 cubic meters) or more, must be inspected at intervals not exceeding 15 months, but at least once each calendar year, to determine that it is in good physical condition and adequately ventilated.

(b) If gas is found in the vault, the equipment in the vault must be inspected for leaks, and any hazardous leaks found must be repaired immediately.

(c) The ventilating equipment must also be inspected to determine that it is functioning properly.

(d) Each vault cover must be inspected to assure that it does not present a hazard to public safety.

255.751 Prevention of accidental ignition. Each operator shall take the following minimum steps to minimize the danger of accidental ignition of gas in any structure or area where the presence of gas constitutes a hazard of fire or explosion.

(a) When a hazardous amount of gas is being vented into open air, each potential source of ignition must be removed from the area and a fire extinguisher must be provided.

(b) Gas or electric welding or cutting may not be performed on pipe or on pipe components that contain a combustible mixture of gas and air in the area of work.

(c) Warning signs are to be posted where appropriate.

(d) Precautions to prevent uncontrolled or unsafe static electric discharges from plastic pipe are to be taken.

255.753 Caulked bell and spigot joints.

(a) Each cast iron caulked bell and spigot joint that is subject to pressures of 25 psig (172kPa) or more must be sealed with a material or device which:

(1) does not reduce the flexibility of the joint;

(2) permanently bonds, either chemically, mechanically or both, with the bell and spigot metal surfaces or adjacent pipe metal surfaces; and

(3) seals and bonds in a manner that meets the strength, environmental, and chemical compatibility requirements of subdivisions 255.53 (a) and (b) and section 255.143 of this Part.

(b) Each cast iron caulked bell and spigot joint that is exposed for any reason, must be sealed by a means other than caulking.

255.755 Protecting cast iron pipelines. When an operator has knowledge that the support for a segment of a buried cast iron pipeline is disturbed, the following actions must be taken.

(a) That segment of the pipeline must be protected, as necessary, against damage during the disturbance by:

(1) vibrations from heavy construction equipment, trains, trucks, buses or blasting;

(2) impact forces by vehicles;

(3) earth movement;

(4) apparent future excavations near the pipeline; or

(5) other foreseeable outside forces which may subject that segment of the pipeline to bending stress.
(b) As soon as feasible, appropriate steps must be taken to provide permanent protection for the disturbed segment from damage that might result from external loads, including compliance with applicable requirements of sections 255.317, 255.319 and 255.361(b)-(d) of this Part.

255.756 Replacement of exposed or undermined cast iron piping.

(a) When any cast iron pipe, eight inches or less in nominal diameter, has been or will be exposed and undermined by an excavation 36 inches (914 millimeters) or greater in width, the purpose of which is for work other than normal gas operation and maintenance work being performed on the exposed cast iron main, one of the following actions must be taken in the listed order of preference:

1. the cast iron main is to be replaced prior to the third-party construction activity occurring; or
2. the cast iron main is to be surveilled for leakage daily until the contractor allows access to the excavation area for replacement. After access is allowed, the operator is to immediately replace the affected cast iron main or maintain daily surveillance with an open vent hole and replace the cast iron main as soon as practical.

(b) For right angle crossings of cast iron mains, the length replaced shall be equal to at least the width of the excavation plus twice the distance from the top of the main to the bottom of the trench.

(c) For crossings of cast iron mains at other than right angles, the length of the replacement shall be increased so that all cast iron pipe will be removed from within the trench settlement area under the gas main, assuming an angle of repose of 45 degrees from the bottom of the trench.

(d) Where replacement of cast iron main is required it shall extend approximately equally on both sides of said excavations.

255.757 Replacement of cast iron mains paralleling excavations. (a) If an excavation is made parallel to any cast iron gas main, eight inches or less in nominal diameter, and said excavation is not adequately shored to protect the cast iron main against movement, the cast iron main must be replaced where more than half the pipe diameter lies above a line projected at an angle above the horizontal equal to the angle of repose for the soil conditions being encountered, starting from the bottom of the excavation at the side nearest the main.

(b) Replacement is to be completed prior to the third-party construction activity, if possible. Otherwise, replacement is to commence immediately after the contractor allows access to the excavation area for replacement and the area is to be maintained under daily leakage survey until replacement is complete.

255.801 Reports of accidents.

(a) Each operator shall report all accidents where gas facilities may be involved, which cause injury or death to any person or damage to property, or could cause concern because of coverage by news media.

(b) All incidents involving carbon monoxide (CO) that result in an investigation by the company shall also be reported.

(c) All such accidents and CO incidents shall be immediately reported by telephone through the gas emergency notification system.

(d) Within 30 days written account shall be submitted for each
incident that involved gas facilities and:

   (1) a death, or personal injury necessitating inpatient hospitalization; or

   (2) estimated property damage, including cost of gas lost, of the operator, or others, or both, of $50,000 or more.

(e) This report shall set forth a chronological sequence of events including a detailed description of the:

   (1) accident (incident);

   (2) response, action and investigation by the operator; and

   (3) results and findings of the investigations.

(f) Such written account for a CO incident shall only be required when it resulted in either an injury or fatality.

(g) Where applicable, a copy of the report sent to the Office of Pipeline Safety, United States Department of Transportation shall be submitted by the operator.

.SO DOC 16B-255.803                              NYCRR

255.803 Emergency lists of operator personnel. Each operator shall submit a list during January of each year indicating the names, addresses, and home and business telephone numbers of responsible officials who may be contacted in the event of an emergency. The list shall also be submitted to all municipalities within which the operator's facilities are located. In the event of any changes in the list within the year, immediate notification thereof shall be given to all recipients.

.SO DOC 16B-255.805                              NYCRR

255.805 Leaks: general. (a) Any notification of a gas leak or gas odor, or any notification of damage to facilities by contractors or other outside sources shall constitute the need for prompt action.

(b) Each operator shall be responsible for the leak investigation, classification, and repair of each leak found on its below-grade system and shall establish a means by which it determines the appropriate surveillance interval at leak locations under frost conditions.

(c) Leaks found to be on exposed piping or facilities need not be classified; however, each operator shall establish procedures for immediate elimination of potential hazards resulting therefrom.

(d) The purpose of the leak classification system is to determine the degree or extent of the potential hazard which results from gas leakage and to prescribe remedial actions therefor.

(e) Classifications shall be made only by individuals who possess training, experience, and knowledge in the field of leak classification and investigation, including extensive association with actual leakage work. The judgment of the aforementioned individuals, based upon all pertinent information and a complete leakage investigation at the scene, will form the basis for the classification.

(f) Percentages of gas-in-air included hereafter are based on natural gas. Where liquefied petroleum, manufactured or other gases are involved, appropriate adjustment shall be made as may be required, consistent with the lower explosive limit (LEL) of such gas or mixture of gases.

(g) Prior to downgrading a leak without any repair, at least one additional surveillance at the normal interval is required to verify that a lower class of hazard exists. Except for leaks downgraded to type 3 classification, which do not require a time limit for repair, if a leak is reclassified to a lower hazard level, the original date of
discovery determines the time period for repair. In no case shall the

time limit for required repair of any leak exceed one year from the date

discovery. This requirement does not apply to leaks classified as
type 2 or 2A based on consideration of frost conditions nor to leaks, at
the time of discovery, classified at a higher level pending a further,
more complete investigation of the leak hazard area.

(h) When a leak is upgraded to a higher hazard level, the time period
for repair is the remaining time based on its original classification or
the time allowed for its new classification, whichever is less. This
does not apply to leaks classified at a higher hazard level based on
consideration of frost conditions nor to leaks, at the time of
discovery, classified at a lower level pending a further, more complete
investigation of the leak hazard area.

255.807 Leaks: records. (a) A gas leak record, identified by number,
shall be used to depict the entire history of a leak from the time of
discovery through the follow-up inspection.

(b) The record shall contain information as to the nature of the
repair and follow-up results.

(c) Leaks shall only be classified or reclassified by a responsible
and experienced individual whose name shall appear on the record.

(d) The gas leak record shall contain an adequate number of readings
from the sample points tested during the leakage investigation to depict
the extent of hazardous gas migration, expressed in percent gas-in-air
or percent LEL found at the time of classification, reclassification if
applicable, surveillance investigations, during leak repair activities,
after completion of repairs, and at any follow-up inspections.

255.809 Leaks: instrument sensitivity verification. Each instrument
utilized for leakage surveys and investigations must be tested against a
known sample or in accordance with the manufacturer's recommended
instructions as follows:

(a) after any repair or replacement of parts other than normal
maintenance;

(b) once every three months for CGI's and solid-state leak detection
instruments and yearly for hydrogen flame ionization (HFI) instruments;
and

(c) any time it is suspected that the calibration has changed.

255.811 Leaks: type 1 classification. (a) A type 1 leak is one which,
due to its location and/or relative magnitude, constitutes a potentially
hazardous condition to the public or buildings.

(b) A type 1 leak requires an immediate effort to protect life and
property.

(c) Continuous action shall be thereafter taken until the condition is
no longer hazardous.

(d) Completion of repairs shall be scheduled on a regular
day-after-day basis, or the condition kept under daily surveillance
until the source of the leak has been corrected.

(e) Type 1 leaks include, but are not limited to:

(1) damage by contractors or outside sources resulting in leakage;
(2) any indication on a combustible gas indicator (CGI) of natural gas
entering buildings or tunnels;
(3) any reading on a CGI within five feet (1.5 meters) of a building
wall;
(4) any reading of four percent or greater gas-in-air on a CGI within manholes, vaults or catch basins (sampling will be conducted with the structure in its normal condition as nearly as physically possible); or
(5) any leak which, in the judgment of the operating personnel at the scene, is regarded as potentially hazardous.

NYCRR 255.813 Leaks: Type 2A classification. (a) A type 2A leak does not present an immediately hazardous condition to the public or buildings, but is of a nature that requires frequent surveillance and scheduled repair.
(b) Type 2A leaks shall be repaired within a period not to exceed six months.
(c) Type 2A leaks shall be maintained under surveillance with a frequency not to exceed two weeks until repaired.
(d) Type 2A leaks include, but are not limited to:
   (1) any reading of 10 percent or greater gas-in-air in any area continuously paved from the curb to the building wall, which is more than five feet (1.5 meters) but within 30 feet (9.1 meters) of the building and inside the curbline or shoulder of the road;
   (2) any reading, in an unpaved area, of 20 percent or greater gas-in-air which is more than five feet (1.5 meters) but within 20 feet (6.1 meters) of the building and inside the curb or shoulder of the road; or
   (3) any leak, other than type 1, which, under frost or other conditions, in the judgment of the operating personnel at the scene should be classified as a type 2A.

NYCRR 255.815 Leaks: type 2 classification.
(a) A type 2 leak does not present an immediate hazardous condition to the public or buildings, but is of a nature requiring scheduled repair.
(b) Type 2 leaks shall be repaired within a period not to exceed one year, except that leaks classified under paragraph (d) (5) of this section shall be repaired within six months.
(c) Type 2 leaks shall be maintained under surveillance with a frequency not to exceed two months, except that leaks classified under paragraph (d) (5) of this section shall be surveilled every two weeks.
(d) Type 2 leaks include, but are not limited to:
   (1) any reading less than 10 percent gas-in-air between the building and the curbside in any area continuously paved which is more than five feet (1.5 meters) but within 30 feet (9.1 meters) of the building and inside the curbedline or shoulder of the road; or
   (2) any reading less than 20 percent gas-in-air in any unpaved area which is more than five feet (1.5 meters) from but within 20 feet (6.1 meters) of a building and inside the curbline or shoulder of the road; or
   (3) any reading of 30 percent or greater gas-in-air in an unpaved area which is more than 20 feet (6.1 meters) from but within 50 feet (15.2 meters) of a building and inside the curbline or shoulder of the road; or
   (4) any reading of 30 percent or greater gas-in-air in a paved area which is more than 30 feet (9.1 meters) from but within 50 feet (15.2 meters) of a building and inside the curbline or shoulder of the road; or
   (5) any reading above one percent but below four percent gas-in-air,
within manholes, vaults or catch basins (sampling will be conducted with
the structure in its normal condition as nearly as is physically
possible).

255.817 Leaks: type 3 classification. (a) A type 3 leak is not
immediately hazardous at the time of detection and can be reasonably
expected to remain that way.

(b) A type 3 leak is any leak not classified as type 1, 2A or 2.

(c) Type 3 leaks shall be reevaluated during the next required leakage
survey or annually, whichever is less.

255.819 Leaks: follow-up inspection. (a) Each operator shall, upon
completing a type 1, type 2A or type 2 leak repair to its underground
facilities, conduct a follow-up inspection at least 14 days after but
within 30 days of the repair to validate said repair.

(b) Follow-up inspections are not required for leak repairs completed
by the replacement or insertion of an entire length of pipe or service
line, or for the repair of leakage caused by contractor or third-party
damage, provided a complete reevaluation of the leak area after
completion of repairs verifies that no further indications of leakage
exist.

(c) Remedial measures such as lubrication of valves or tightening of
packing nuts on valves which seal leaks may be considered to be routine
maintenance work and do not require a follow-up inspection.

(d) Appropriate records shall be kept.

255.821 Leaks: nonreportable reading. Whenever an operator conducts an
annual leakage survey of all mains, or a portion of the mains, in its
distribution system, any sustained reading of four percent or less
gas-in-air on a CGI at an isolated test point outside the curbline or
shoulder of the road can be considered a nonreportable reading except
where found in manholes, vaults or catch basins.

255.823 Interruptions of service. (a) Any major interruption of
service furnished by any pipeline, or the failure of any major equipment
thereof, or any other interruption or failure of such facilities which
could cause public concern because of coverage by news media, is to be
immediately reported by telephone.

(b) Within 30 days, a written report of the interruption or failure
shall be submitted including the chronological sequence of events
related to the interruption, including a detailed description of the:
(1) interruption;
(2) response, action and investigation by the operator; and
(3) results and findings of the investigation.

(c) Where applicable, a copy of the report sent to the Office of
Pipeline Safety, United States Department of Transportation is to be
submitted by the operator.

(d) This requirement does not apply to scheduled interruptions of
service, or interruptions in accordance with the provisions of contracts
between the operator and its customers.

(e) This requirement is in addition to reporting requirements of Part
232 of this Title.

255.825 Logging and analysis of gas emergency reports. (a) Each
operator shall appropriately record each report received by it as to a gas leak or emergency on a suitably numbered service record.

(b) A daily log shall be kept and maintained on file recording the receipt and handling of each such report and shall contain the following information:

(1) cross-reference to the related service record number;
(2) location of leak or emergency;
(3) time report first received by operator;
(4) description or code designation as to type of leak or emergency;
(5) time crew first dispatched to designated location; and
(6) time of arrival of such personnel at location.

(c) In addition, every operator shall maintain a record of the time of arrival of the repair crew called to the scene of a gas leak or emergency.

(d) Every operator shall submit, on or before the 15th day of each calendar month, a summary analysis of its performance in responding to reports of gas leaks, as reflected in the daily log sheets for the preceding calendar month, which shall be furnished in a format identical to Form A of Appendix 7-E of this Title, and which shall be signed by a responsible official.

Facility failure investigation.

(a) Each operator shall establish procedures to analyze each failure or accident for the purpose of determining its cause and to minimize the possibility of a recurrence. This plan shall include a procedure to select samples of the failed facility or equipment for laboratory examination when necessary.

(b) The procedures shall also provide for complete cooperation with the Department staff, in testing or surveying, including using independent consultants, any equipment or systems deemed necessary by staff for the investigation and analysis of any failure or accident to determine its cause and to minimize the possibility of recurrence.

Annual report. Each operator shall submit a copy of the annual report sent to the Office of Pipeline Safety, United States Department of Transportation not later than March 15th of each year.

Reporting safety-related conditions.

Each operator shall submit a report on the existence of any of the applicable safety-related conditions involving facilities in service in accordance with sections 23 and 25 of title 49, Code of Federal Regulations, Part 191, Transportation of Natural and Other Gas by Pipeline; Annual Reports, Incident Reports, and Safety Related Condition Reports (as described in section 10.2 of this Title).

Scope.

Sections 255.901 through 255.951 of this Part prescribe minimum requirements for an integrity management program on any gas transmission pipeline covered under this Part. For gas transmission pipelines constructed of plastic, only the requirements in Sections 255.917, 255.921, 255.935 and 255.937 of this Part apply.

Definitions.

The following definitions apply to sections 255.901 through 255.951 of
(a) Assessment is the use of testing techniques as allowed in sections 255.901 through 255.951 of this Part to ascertain the condition of a covered pipeline segment.

(b) Confirmatory direct assessment is an integrity assessment method using more focused application of the principles and techniques of direct assessment to identify internal and external corrosion in a covered transmission pipeline segment.

(c) Covered segment or covered pipeline segment means a segment of gas transmission pipeline located in a high consequence area. The terms gas and transmission line are defined in section 255.3 of this Part.

(d) Direct assessment is an integrity assessment method that utilizes a process to evaluate certain threats (i.e., external corrosion, internal corrosion and stress corrosion cracking) to a covered pipeline segment's integrity. The process includes the gathering and integration of risk factor data, indirect examination or analysis to identify areas of suspected corrosion, direct examination of the pipeline in these areas, and post assessment evaluation.

(e) High consequence area means an area established by one of the methods described in paragraphs (1) or (2) as follows:

1. An area defined as:
   (i) A Class 3 location under section 255.5 of this Part; or
   (ii) A Class 4 location under section 255.5 of this Part; or
   (iii) Any area in a Class 1 or Class 2 location where the potential impact radius is greater than 660 feet (200 meters), and the area within a potential impact circle contains 20 or more buildings intended for human occupancy; or
   (iv) Any area in a Class 1 or Class 2 location where the potential impact circle contains an identified site.

2. The area within a potential impact circle containing:
   (i) 20 or more buildings intended for human occupancy, unless the exception in paragraph (4) applies; or
   (ii) An identified site.

3. Where a potential impact circle is calculated under either paragraphs (1) or (2) of this subdivision to establish a high consequence area, the length of the high consequence area extends axially along the length of the pipeline from the outermost edge of the first potential impact circle that contains either an identified site or 20 or more buildings intended for human occupancy to the outermost edge of the last contiguous potential impact circle that contains either an identified site or 20 or more buildings intended for human occupancy. (See Figure 1 in Appendix 14-E.)

4. If in identifying a high consequence area under subparagraph (1)(iii) of this subdivision or subparagraph (2)(i) of this subdivision, the radius of the potential impact circle is greater than 660 feet (200 meters), the operator may identify a high consequence area based on a prorated number of buildings intended for human occupancy within a distance of 660 feet (200 meters) from the centerline of the pipeline until December 17, 2006. If an operator chooses this approach, the operator must prorate the number of buildings intended for human occupancy based on the ratio of an area with a radius of 660 feet (200 meters) to the area of the potential impact circle (i.e., the prorated number of buildings intended for human occupancy is equal to 20 x 660 feet (or 200 meters) / potential impact radius in feet or meters{2}).
(f) Identified site means each of the following areas:

(1) An outside area or open structure that is occupied by twenty (20) or more persons on at least 50 days in any twelve (12)-month period. (The days need not be consecutive.) Examples include but are not limited to, beaches, playgrounds, recreational facilities, camping grounds, outdoor theaters, stadiums, recreational areas near a body of water, or areas outside a rural building such as a religious facility; or

(2) A building that is occupied by twenty (20) or more persons on at least five (5) days a week for ten (10) weeks in any twelve (12)-month period. (The days and weeks need not be consecutive.) Examples include, but are not limited to, religious facilities, office buildings, community centers, general stores, 4-H facilities, or roller skating rinks; or

(3) A facility occupied by persons who are confined, are of impaired mobility, or would be difficult to evacuate. Examples include but are not limited to hospitals, prisons, schools, day-care facilities, retirement facilities or assisted-living facilities.

(g) Potential impact circle is a circle of radius equal to the potential impact radius (PIR).

(h) Potential impact radius (PIR) means the radius of a circle within which the potential failure of a pipeline could have significant impact on people or property. PIR is determined by the formula $r = 0.69 \times \sqrt{(p \times d^2)}$, where 'r' is the radius of a circular area in feet surrounding the point of failure, 'p' is the maximum allowable operating pressure (MAOP) in the pipeline segment in pounds per square inch and 'd' is the nominal diameter of the pipeline in inches.

Note: 0.69 is the factor for natural gas. This number will vary for other gases depending upon their heat of combustion. An operator transporting gas other than natural gas must use section 3.2 of ASME/ANSI B31.8S (as described in section 10.3 of this Title) to calculate the impact radius formula.

(i) Remediation is a repair or mitigation activity an operator takes on a covered segment to limit or reduce the probability of an undesired event occurring or the expected consequences from the event.

255.905 High consequence areas.

(a) General. To determine which segments of an operator's transmission pipeline system are covered by sections 255.901 through 255.951 of this Part, an operator must identify the high consequence areas. An operator must use methods defined in paragraph (1) or (2) of subdivision (f) of section 255.903 of this Part to identify a high consequence area. An operator must use the method to its entire pipeline system, or an operator may apply one method to individual portions of the pipeline system. An operator must describe in its integrity management program which method it is applying to each portion of the operator's pipeline system. The description must include the potential impact radius when utilized to establish a high consequence area. (See Appendix 14-E.I for guidance on identifying high consequence areas.)

(b) (1) Identified sites. An operator must identify an identified site, for purposes of sections 255.901 through 255.951 of this Part, from information the operator has obtained from routine operation and maintenance activities and from public officials with safety or emergency response or planning responsibilities who indicate to the
operator that they know of locations that meet the identified site
criteria. These public officials could include officials on a local
emergency planning commission or relevant Native American tribal
officials.

(2) If a public official with safety or emergency response or planning
responsibilities informs an operator that it does not have the
information to identify an identified site, the operator must use one of
the following sources, as appropriate, to identify these sites.

(i) Visible marking (e.g., a sign); or

(ii) The site is licensed or registered by a Federal, State, or local
government agency; or

(iii) The site is on a list (including a list on an internet web site)
or map maintained by or available from a Federal, State, or local
government agency and available to the general public.

(c) Newly identified areas. When an operator has information that the
area around a pipeline segment not previously identified as a high
consequence area could satisfy any of the definitions in section 255.903
of this Part, the operator must complete the evaluation using method (1)
or (2). If the segment is determined to meet the definition as a high
consequence area, it must be incorporated into the operator's baseline
assessment plan as a high consequence area within one year from the date
the area is identified.

255.907 General.

(a) General. No later than December 17, 2004, an operator of a covered
pipeline segment must develop and follow a written integrity management
program that contains all the elements described in section 255.911 of
this Part and that addresses the risks on each covered transmission
pipeline segment. The initial integrity management program must
consist, at a minimum, of a framework that describes the process for
implementing each program element, how relevant decisions will be made
and by whom, a timeline for completing the work to implement the
program element, and how information gained from experience will be
continuously incorporated into the program. The framework will evolve
into a more detailed and comprehensive program. An operator must make
continual improvements to the program.

(b) Implementation Standards. In carrying out sections 255.901
through 255.951 of this Part, an operator must follow the requirements
of sections 255.901 through 255.951 of this Part and of ASME/ANSI B31.8S
(as described in section 10.3 of this Title) and its appendices, where
specified. An operator may follow an equivalent standard or practice
only when the operator demonstrates the alternative standard or practice
provides an equivalent level of safety to the public and property. In
the event of a conflict between sections 255.901 through 255.951 of this
Part and ASME/ANSI B31.8S, the requirements in sections 255.901 through
255.951 of this Part control.
program elements. An operator must provide the notification within 30 days after adopting this type of change into its program.

255.911 Required elements.

An operator's initial integrity management program begins with a framework (see section 255.907 of this Part) and evolves into a more detailed and comprehensive integrity management program, as information is gained and incorporated into the program. An operator must make continual improvements to its program. The initial program framework and subsequent program must, at minimum, contain the following elements. (When indicated, refer to ASME/ANSI B31.8S (as described in section 10.3 of this Title) for more detailed information on the listed element.)

(a) An identification of all high consequence areas, in accordance with section 255.905 of this Part.

(b) A baseline assessment plan meeting the requirements of section 255.919 and 255.921 of this Part.

(c) An identification of threats to each covered pipeline segment, which must include data integration and a risk assessment. An operator must use the threat identification and risk assessment to prioritize covered segments for assessment (section 255.917 of this Part) and to evaluate the merits of additional preventive and mitigative measures (section 255.935 of this Part) for each covered segment.

(d) A direct assessment plan, if applicable, meeting the requirements of section 255.923 of this Part, and depending on the threat assessed, of section 255.925, 255.927, or 255.929 of this Part.

(e) Provisions meeting the requirements of section 255.933 of this Part for remediating conditions found during an integrity assessment.

(f) A process for continual evaluation and assessment meeting the requirements of section 255.937 of this Part.

(g) If applicable, a plan for confirmatory direct assessment meeting the requirements of section 255.931 of this Part.

(h) Provisions meeting the requirements of section 255.935 of this Part for adding preventive and mitigative measures to protect the high consequence area.

(i) A performance plan as outlined in ASME/ANSI B31.8S, section 9 that includes performance measures meeting the requirements of section 255.945 of this Part.

(j) Record keeping provisions meeting the requirements of section 255.947 of this Part.

(k) A management of change process as outlined in ASME/ANSI B31.8S, section 11.

(l) A quality assurance process as outlined in ASME/ANSI B31.8S, section 12.

(m) A communication plan that includes the elements of ASME/ANSI B31.8S, section 10, and that includes procedures for addressing safety concerns raised by-

(1) the Department; and

(2) OPS

(n) Procedures for providing (when requested), by electronic or other means, a copy of the operator's risk analysis or integrity management program to-

(1) the Department; and

(2) OPS

(o) Procedures for ensuring that each integrity assessment is being
conducted in a manner that minimizes environmental and safety risks.

(p) A process for identification and assessment of newly-identified high consequence areas. (See sections 255.905 and 255.921 of this Part.)

255.913 Deviation from the requirements of this part.

(a) General. ASME/ANSI B31.8S (as described in section 10.3 of this Title) provides the essential features of a performance-based or a prescriptive integrity management program. An operator that uses a performance-based approach that satisfies the requirements for exceptional performance in paragraph (b) of this section may deviate from certain requirements in sections 255.901 through 255.951 of this Part, as provided in subdivision (c) of this section.

(b) Exceptional performance. An operator must be able to demonstrate the exceptional performance of its integrity management program through the following actions.

(1) To deviate from any of the requirements set forth in subdivision (c) of this section, an operator must have a performance-based integrity management program that meets or exceeds the performance-based requirements of ASME/ANSI B31.8S and includes, at a minimum, the following elements-

(i) A comprehensive process for risk analysis;
(ii) All risk factor data used to support the program;
(iii) A comprehensive data integration process;
(iv) A procedure for applying lessons learned from assessment of covered pipeline segments to pipeline segments not covered by sections 255.901 through 255.951 of this Part;
(v) A procedure for evaluating every incident, including its cause, within the operator's sector of the pipeline industry for implications both to the operator's pipeline system and to the operator's integrity management program;
(vi) A performance matrix that demonstrates the program has been effective in ensuring the integrity of the covered segments by controlling the identified threats to the covered segments;
(vii) Semi-annual performance measures beyond those required in section 255.945 of this Part that are part of the operator's performance plan. (See section 255.911 (i) of this Part.) An operator must submit these measures, by electronic or other means, on a semi-annual frequency to the Department and OPS in accordance with section 255.951 of this Part; and
(viii) An analysis that supports the desired integrity reassessment interval and the remediation methods to be used for all covered segments.

(2) In addition to the requirements for the performance-based plan, an operator must-

(i) Have completed at least two integrity assessments on each covered pipeline segment the operator is including under the performance based approach, and be able to demonstrate that each assessment effectively addressed the identified threats on the covered segment.
(ii) Remediate all anomalies identified in the more recent assessment according to the requirements in section 255.933 of this Part, and incorporate the results and lessons learned from the more recent assessment into the operator's data integration and risk assessment.

(c) Deviation. Once an operator has demonstrated that it has satisfied the requirements of subdivision (b) of this section, the operator may
deviate from the prescriptive requirements of ASME/ANSI B31.8S and of sections 255.901 through 255.951 of this Part only in the following instances.

(1) The time frame for reassessment as provided in section 255.939 of this Part except that reassessment by some method allowed under sections 255.901 through 255.951 of this Part (e.g., confirmatory direct assessment) must be carried out at intervals no longer than seven years;

(2) The time frame for remediation as provided in section 255.933 of this Part if the operator demonstrates the time frame will not jeopardize the safety of the covered segment.

255.915 Knowledge and training.

(a) Supervisory personnel. The integrity management program must provide that each supervisor whose responsibilities relate to the integrity management program possesses and maintains a thorough knowledge of the integrity management program and of the elements for which the supervisor is responsible. The program must provide that any person who qualifies as a supervisor for the integrity management program has appropriate training or experience in the area for which the person is responsible.

(b) Persons who carry out assessments and evaluate assessment results. The integrity management program must provide criteria for the qualification of any person-

(1) Who conducts an integrity assessment allowed under sections 255.901 through 255.951 of this Part; or

(2) Who reviews and analyzes the results from an integrity assessment and evaluation; or

(3) Who makes decisions on actions to be taken based on these assessments.

(c) Persons responsible for preventive and mitigative measures. The integrity management program must provide criteria for the qualification of any person-

(1) Who implements preventive and mitigative measures to carry out sections 255.901 through 255.951 of this Part, including the marking and locating of buried structures; or

(2) Who directly supervises excavation work carried out in conjunction with an integrity assessment.

255.917 Identification of potential threats to pipeline integrity and use of the threat identification in an integrity program.

(a) Threat identification. An operator must identify and evaluate all potential threats to each covered pipeline segment. Potential threats that an operator must consider include, but are not limited to, the threats listed in ASME/ANSI B31.8S (as described in section 10.3 of this Title), section 2 which are grouped under the following four categories:

(1) Time dependent threats such as internal corrosion, external corrosion, and stress corrosion cracking;

(2) Static or resident threats, such as fabrication or construction defects;

(3) Time independent threats such as third party damage and outside force damage; and

(4) Human error.

(b) Data gathering and integration. To identify and evaluate the potential threats to a covered pipeline segment, an operator must gather
and integrate existing data and information on the entire pipeline that could be relevant to the covered segment. In performing this data gathering and integration, an operator must follow the requirements in ASME/ANSI B31.8S, section 4. At a minimum, an operator must gather and evaluate the set of data specified in Appendix A to ASME/ANSI B31.8S, and consider both on the covered segment and similar non-covered segments, past incident history, corrosion control records, continuing surveillance records, patrolling records, maintenance history, internal inspection records and all other conditions specific to each pipeline.

(c) Risk assessment. An operator must conduct a risk assessment that follows ASME/ANSI B31.8S, section 5, and considers the identified threats for each covered segment. An operator must use the risk assessment to prioritize the covered segments for the baseline and continual reassessments (sections 255.919, 255.921, 255.937 of this Part), and to determine what additional preventive and mitigative measures are needed (section 255.935 of this Part) for the covered segment.

(d) Plastic transmission pipeline. An operator of a plastic transmission pipeline must assess the threats to each covered segment using the information in sections 4 and 5 of ASME B31.8S, and consider any threats unique to the integrity of plastic pipe.

(e) Actions to address particular threats. If an operator identifies any of the following threats, the operator must take the following actions to address the threat.

(1) Third party damage. An operator must utilize the data integration required in subdivision (b) of this section and ASME/ANSI B31.8S, Appendix A7 to determine the susceptibility of each covered segment to the threat of third party damage. If an operator identifies the threat of third party damage, the operator must implement comprehensive additional preventive measures in accordance with section 255.935 of this Part and monitor the effectiveness of the preventive measures. If, in conducting a baseline assessment under section 255.921 of this Part, or a reassessment under section 255.937 of this Part, an operator uses an internal inspection tool or external corrosion direct assessment, the operator must integrate data from these assessments with data related to any encroachment or foreign line crossing on the covered segment, to define where potential indications of third party damage may exist in the covered segment. An operator must also have procedures in its integrity management program addressing actions it will take to respond to findings from this data integration.

(2) Cyclic fatigue. An operator must evaluate whether cyclic fatigue or other loading condition (including ground movement, suspension bridge condition) could lead to a failure of a deformation, including a dent or gouge, or other defect in the covered segment. An evaluation must assume the presence of threats in the covered segment that could be exacerbated by cyclic fatigue. An operator must use the results from the evaluation together with the criteria used to evaluate the significance of this threat to the covered segment to prioritize the integrity baseline assessment or reassessment.

(3) Manufacturing and construction defects. If an operator identifies the threat of manufacturing and construction defects (including seam defects) in the covered segment, an operator must analyze the covered segment to determine the risk of failure from these defects. The analysis must consider the results of prior assessments on the covered
segment. An operator may consider manufacturing and construction related
defects to be stable defects if the operating pressure on the covered
segment has not increased over the maximum operating pressure
experienced during the five years preceding identification of the high
consequence area. If any of the following changes occur in the covered
segment, an operator must prioritize the covered segment as a high risk
segment for the baseline assessment or a subsequent reassessment.

(i) Operating pressure increases above the maximum operating pressure
experienced during the preceding five years;
(ii) MAOP increases; or
(iii) The stresses leading to cyclic fatigue increase.

(4) ERW pipe. If a covered pipeline segment contains low frequency
electric resistance welded pipe (ERW), lap welded pipe or other pipe
that satisfies the conditions specified in ASME/ANSI B31.8S, Appendices
A4.3 and A4.4, and any covered or noncovered segment in the pipeline
system with such pipe has experienced seam failure, or operating
pressure on the covered segment has increased over the maximum operating
pressure experienced during the preceding five years, an operator must
select an assessment technology or technologies with a proven
application capable of assessing seam integrity and seam corrosion
anomalies. The operator must prioritizes the covered segment as a high
risk segment for the baseline assessment or a subsequent reassessment.

(5) Corrosion. If an operator identifies corrosion on a covered
pipeline segment that could adversely affect the integrity of the line
(conditions specified in section 255.931 of this Part), the operator
must evaluate and remediate, as necessary, all pipeline segments (both
covered and non-covered) with similar material coating and environmental
characteristics. An operator must establish a schedule for evaluating
and remediating, as necessary, the similar segments that is consistent
with the operator's operating and maintenance procedures established
under 49 CFR Part 192 for testing and repair.

255.919 Baseline assessment plan.
An operator must include each of the following elements in its written
baseline assessment plan:

(a) Identification of the potential threats to each covered pipeline
segment and the information supporting the threat identification. (See
section 255.917 of this Part);
(b) The methods selected to assess the integrity of the line pipe,
including an explanation of why the assessment method was selected to
address the identified threats to each covered segment. The integrity
assessment method an operator uses must be based on the threats
identified to the covered segment. (See section 255.917 of this Part)
More than one method may be required to address all the threats to the
covered pipeline segment;
(c) A schedule for completing the integrity assessment of all covered
segments, including risk factors considered in establishing the
assessment schedule;
(d) If applicable, a direct assessment plan that meets the
requirements of section 255.923 of this Part, and depending on the
threat to be addressed, of sections 255.925, 255.927, or 255.929 of this
Part; and
(e) A procedure to ensure that the baseline assessment is being
conducted in a manner that minimizes environmental and safety risks.
255.921 Conducting a baseline assessment.

(a) Assessment methods. An operator must assess the integrity of the line pipe in each covered segment by applying one or more of the following methods depending on the threats to which the covered segment is susceptible. An operator must select the method or methods best suited to address the threats identified to the covered segment (See section 255.917 of this Part).

(1) Internal inspection tool or tools capable of detecting corrosion, and any other threats to which the covered segment is susceptible. An operator must follow ASME/ANSI B31.8S (as described in section 10.3 of this Title), section 6.2 in selecting the appropriate internal inspection tools for the covered segment;

(2) Pressure test conducted in accordance with the testing requirements of this Part. An operator must use the test pressures specified in Table 3 of section 5 of ASME/ANSI B31.8S, to justify an extended reassessment interval in accordance with section 255.939 of this Part;

(3) Direct assessment to address threats of external corrosion, internal corrosion, and stress corrosion cracking. An operator must conduct the direct assessment in accordance with the requirements listed in section 255.923 of this Part and with, as applicable, the requirements specified in sections 255.925, 255.927 or 255.929 of this Part;

(4) Other technology that an operator demonstrates can provide an equivalent understanding of the condition of the line pipe. An operator choosing this option must notify the Department and OPS 180 days before conducting the assessment, in accordance with section 255.949 of this Part.

(b) Prioritizing segments. An operator must prioritize the covered pipeline segments for the baseline assessment according to a risk analysis that considers the potential threats to each covered segment. The risk analysis must comply with the requirements in section 255.917 of this Part.

(c) Assessment for particular threats. In choosing an assessment method for the baseline assessment of each covered segment, an operator must take the actions required in section 255.917(e) of this Part to address particular threats that it has identified.

(d) Time period. An operator must prioritize all the covered segments for assessment in accordance with section 255.917(c) of this Part and subdivision (b) above. An operator must assess at least 50% of the covered segments beginning with the highest risk segments, by December 17, 2007. An operator must complete the baseline assessment of all covered segments by December 17, 2012.

(e) Prior assessment. An operator may use a prior integrity assessment conducted before December 17, 2002 as a baseline assessment for the covered segment, if the integrity assessment meets the baseline requirements in this Part and subsequent remedial actions to address the conditions listed in section 255.933 of this Part have been carried out. In addition, if an operator uses this prior assessment as its baseline assessment, the operator must reassess the line pipe in the covered segment according to the requirements of sections 255.937 and 255.939 of this Part.

(f) Newly identified areas. When an operator identifies a new high
consequence area (see section 255.905 of this Part), an operator must complete the baseline assessment of the line pipe in the newly identified high consequence area within ten (10) years from the date the area is identified.

(g) Newly installed pipe. An operator must complete the baseline assessment of a newly installed segment of pipe covered by this Part within ten (10) years from the date the pipe is installed. An operator may conduct a pressure test in accordance with paragraph (a)(2) of this section, to satisfy the requirement for a baseline assessment.

(h) Plastic transmission pipeline. If the threat analysis required in section 255.917(d) of this Part on a plastic transmission pipeline indicates that a covered segment is susceptible to failure from causes other than third-party damage, an operator must conduct a baseline assessment of the segment in accordance with the requirements of this section and of section 255.917 of this Part. The operator must justify the use of an alternative assessment method that will address the identified threats to the covered segment.

255.923 Direct assessment.

(a) General. An operator may use direct assessment either as a primary assessment method or as a supplement to the other assessment methods allowed under sections 255.901 through 255.951 of this Part. An operator may only use direct assessment as the primary assessment method to address the identified threats of external corrosion (EC), internal corrosion (IC), and stress corrosion cracking (SCC).

(b) Primary method. An operator using direct assessment as a primary assessment method must have a plan that complies with the requirements in:

(1) ASME/ANSI B31.8S (as described in section 10.3 of this Title), section 6.4; NACE SP 0502 (as described in section 10.3 of this Title); and section 255.925 of this Part if addressing external corrosion (EC).

(2) ASME/ANSI B31.8S, section 6.4 and appendix B2, and section 255.927 of this Part if addressing internal corrosion (IC).

(3) ASME/ANSI B31.8S, appendix A3, and section 255.929 if addressing stress corrosion cracking (SCC).

(c) Supplemental method. An operator using direct assessment as a supplemental assessment method for any applicable threat must have a plan that follows the requirements for confirmatory direct assessment in section 255.931 of this Part.

255.925 External corrosion direct assessment (ECDA).

(a) Definition. ECDA is a four-step process that combines preassessment, indirect inspection, direct examination, and post assessment to evaluate the threat of external corrosion to the integrity of a pipeline.

(b) General requirements. An operator that uses direct assessment to assess the threat of external corrosion must follow the requirements in this section, in ASME/ANSI B31.8S (as described in section 10.3 of this Title), section 6.4 and in NACE SP 0502 (as described in section 10.3 of this Title). An operator must develop and implement a direct assessment plan that has procedures addressing preassessment, indirect inspection, direct examination, and post-assessment. If the ECDA detects pipeline coating damage, the operator must also integrate the data from the ECDA with other information from the data integration (section 255.917(b) of
this Part) to evaluate the covered segment for the threat of third party
damage, and to address the threat as required by section 255.917(e)(1)
of this Part.

(1) Preassessment. In addition to the requirements in ASME/ANSI B31.8S
section 6.4 and NACE SP 0502, section 3, the plan's procedures for
preassessment must include:

(i) provisions for applying more restrictive criteria when conducting
ECDA for the first time on a covered segment; and

(ii) the basis on which an operator selects at least two different,
but complementary indirect assessment tools to assess each ECDA Region.
If an operator utilizes an indirect inspection method that is not
discussed in Appendix A of NACE SP 0502, the operator must demonstrate
the applicability, validation basis, equipment used, application
procedure, and utilization of data for the inspection method.

(2) Indirect inspection. In addition to the requirements in ASME/ANSI
B31.8S section 6.4 and NACE SP 0502, section 4, the plan's procedures
for indirect examination of the ECDA regions must include:

(i) provisions for applying more restrictive criteria when conducting
ECDA for the first time on a covered segment;

(ii) criteria for identifying and documenting those indications that
must be considered for excavation and direct examination. Minimum
identification criteria include the known sensitivities of assessment
tools, the procedures for using each tool, and the approach to be used
for decreasing the physical spacing of indirect assessment tool readings
when the presence of a defect is suspected;

(iii) criteria for defining the urgency of excavation and direct
examination of each indication identified during the indirect
examination. These criteria must specify how an operator will define the
urgency of excavating the indication as immediate, scheduled or
monitored; and

(iv) criteria for scheduling excavation of indications for each
urgency level.

(3) Direct examination. In addition to the requirements in ASME/ANSI
B31.8S section 6.4 and NACE SP 0502, section 5, the plan's procedures
for direct examination of indications from the indirect examination must
include:

(i) provisions for applying more restrictive criteria when conducting
ECDA for the first time on a covered segment;

(ii) criteria for deciding what action should be taken if either:
(a) corrosion defects are discovered that exceed allowable limits
(Section 5.5.2.2 of NACE RP0502), or

(b) root cause analysis reveals conditions for which ECDA is not
suitable (Section 5.6.2 of NACE SP 0502);

(iii) criteria and notification procedures for any changes in the ECDA
Plan, including changes that affect the severity classification, the
priority of direct examination, and the time frame for direct
examination of indications; and

(iv) criteria that describe how and on what basis an operator will
reclassify and reprioritize any of the provisions that are specified in
section 5.9 of NACE RP0502.

(4) Post assessment and continuing evaluation. In addition to the
requirements in ASME/ANSI B31.8S section 6.4 and NACE SP 0502, section
6, the plan's procedures for post assessment of the effectiveness of the
ECDA process must include:
(i) measures for evaluating the long term effectiveness of ECDA in addressing external corrosion in covered segments; and

(ii) criteria for evaluating whether conditions discovered by direct examination of indications in each ECDA region indicate a need for reassessment of the covered segment at an interval less than that specified in section 255.939 of this Part. (See Appendix D of NACE SP 0502.)

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NYCRR 255.927 Internal corrosion direct assessment (ICDA).

(a) Definition. Internal Corrosion Direct Assessment (ICDA) is a process an operator uses to identify areas along the pipeline where fluid or other electrolyte introduced during normal operation or by an upset condition may reside, and then focuses direct examination on the locations in covered segments where internal corrosion is most likely to exist. The process identifies the potential for internal corrosion caused by microorganisms, or fluid with CO2, O2, hydrogen sulfide or other contaminants present in the gas.

(b) General requirements. An operator using direct assessment as an assessment method to address internal corrosion in a covered pipeline segment must follow the requirements in this section and in ASME/ANSI B31.8S (as described in section 10.3 of this Title), section 6.4 and appendix B2. The ICDA process described in this section applies only for a segment of pipe transporting nominally dry natural gas, and not for a segment with electrolyte nominally present in the gas stream. If an operator uses ICDA to assess a covered segment operating with electrolyte present in the gas stream, the operator must develop a plan that demonstrates how it will conduct ICDA in the segment to effectively address internal corrosion, and must provide notification in accordance with section 255.921 (a)(4) or 255.937(c)(4) of this Part.

(c) The ICDA plan. An operator must develop and follow an ICDA plan that provides for preassessment, identification of ICDA regions and excavation locations, detailed examination of pipe at excavation locations, and post-assessment evaluation and monitoring.

1. Reassessment. In the preassessment stage, an operator must gather and integrate data and information needed to evaluate the feasibility of ICDA for the covered segment, and to support use of a model to identify the locations along the pipe segment where electrolyte may accumulate, to identify ICDA regions, and to identify areas within the covered segment where liquids may potentially be entrained. This data and information includes, but is not limited to-

(i) All data elements listed in appendix A2 of ASME/ANSI B31.8S;

(ii) Information needed to support use of a model that an operator must use to identify areas along the pipeline where internal corrosion is most likely to occur. (See paragraph (a) of this section.) This information includes, but is not limited to, location of all gas input and withdrawal points on the line; location of all low points on covered segments such as sags, drips, inclines, valves, manifolds, dead-legs, and traps; the elevation profile of the pipeline in sufficient detail that angles of inclination can be calculated for all pipe segments; and the diameter of the pipeline, and the range of expected gas velocities in the pipeline;

(iii) Operating experience data that would indicate historic upsets in gas conditions, locations where these upsets have occurred, and potential damage resulting from these upset conditions; and
(iv) Information on covered segments where cleaning pigs may not have been used or where cleaning pigs may deposit electrolytes.

(2) ICDA region identification. An operator's plan must identify where all ICDA Regions are located in the transmission system, in which covered segments are located. An ICDA Region extends from the location where liquid may first enter the pipeline and encompasses the entire area along the pipeline where internal corrosion may occur and where further evaluation is needed. An ICDA Region may encompass one or more covered segments. In the identification process, an operator must use the model in GRI 02-0057, "Internal Corrosion Direct Assessment of Gas Transmission Pipelines—Methodology," (as described in section 10.3 of this Title). An operator may use another model if the operator demonstrates it is equivalent to the one shown in GRI 02-0057. A model must consider changes in pipe diameter, locations where gas enters a line (potential to introduce liquid) and locations downstream of gas draw-offs (where gas velocity is reduced) to define the critical pipe angle of inclination above which water film cannot be transported by the gas.

(3) Identification of locations for excavation and direct examination. An operator's plan must identify the locations where internal corrosion is most likely in each ICDA Region. In the location identification process, an operator must identify a minimum of two locations for excavation within each ICDA Region within a covered segment and must perform a direct examination for internal corrosion at each location, using ultrasonic thickness measurements, radiography, or other generally accepted measurement technique. One location must be the low point (e.g., sags, drips, valves, manifolds, dead-legs, traps) within the covered segment nearest to the beginning of the ICDA Region. The second location must be further downstream, within a covered segment, near the end of the ICDA Region. If corrosion exists at either location, the operator must-

(i) Evaluate the severity of the defect (remaining strength) and remediate the defect in accordance with section 255.933 of this Part;
(ii) As part of the operator's current integrity assessment either perform additional excavations in each covered segment within the ICDA Region, or use an alternative assessment method allowed by sections 255.901 through 255.951 of this Part to assess the line pipe in each covered segment within the ICDA Region for internal corrosion; and
(iii) Evaluate the potential for internal corrosion in all pipeline segments (both covered and non-covered) in the operator's pipeline system with similar characteristics to the ICDA Region containing the covered segment in which the corrosion was found, and as appropriate, remediate the conditions the operator finds in accordance with section 255.933 of this Part.

(4) Post-assessment evaluation and monitoring. An operator's plan must provide for evaluating the effectiveness of the ICDA process and continued monitoring of covered segments where internal corrosion has been identified. The evaluation and monitoring process includes-

(i) Evaluating the effectiveness of ICDA as an assessment method for addressing internal corrosion and determining whether a covered segment should be reassessed at more frequent intervals than those specified in section 255.939 of this Part. An operator must carry out this evaluation within a year of conducting an ICDA; and
(ii) Continually monitoring each covered segment where internal...
corrosion has been identified using techniques such as coupons, UT sensors or electronic probes, periodically drawing off liquids at low points and chemically analyzing the liquids for the presence of corrosion products. An operator must base the frequency of the monitoring and liquid analysis on results from all integrity assessments that have been conducted in accordance with the requirements of sections 255.901 through 255.951 of this Part, and risk factors specific to the covered segment. If an operator finds any evidence of corrosion products in the covered segment, the operator must take prompt action in accordance with one of the two following required actions and remediate the conditions the operator finds in accordance with section 255.933 of this Part.

(A) Conduct excavations of covered segments at locations downstream from where the electrolyte might have entered the pipe; or

(B) Assess the covered segment using another integrity assessment method allowed by sections 255.901 through 255.951 of this Part.

(5) Other requirements. The ICDA plan must also include-

(i) Criteria an operator will apply in making key decisions (e.g., ICDA feasibility, definition of ICDA Regions, conditions requiring excavation) in implementing each stage of the ICDA process;

(ii) Provisions for applying more restrictive criteria when conducting ICDA for the first time on a covered segment and that become less stringent as the operator gains experience; and

(iii) Provisions that analysis be carried out on the entire pipeline in which covered segments are present, except that application of the remediation criteria of section 255.933 of this Part may be limited to covered segments.

255.929 Direct assessment for stress corrosion cracking (SCCDA).

(a) Definition. Stress Corrosion Cracking Direct Assessment (SCCDA) is a process to assess a covered pipe segment for the presence of SCC primarily by systematically gathering and analyzing excavation data for pipe having similar operational characteristics and residing in a similar physical environment.

(b) General requirements. An operator using direct assessment as an integrity assessment method to address stress corrosion cracking in a covered pipeline segment must have a plan that provides, at minimum, for-

(1) Data gathering and integration. An operator's plan must provide for a systematic process to collect and evaluate data for all covered segments to identify whether the conditions for SCC are present and to prioritize the covered segments for assessment. This process must include gathering and evaluating data related to SCC at all sites an operator excavates during the conduct of its pipeline operations where the criteria in ASME/ANSI B31.8S (as described in section 10.3 of this Title), Appendix A3.3 indicate the potential for SCC. This data includes at minimum, the data specified in ASME/ANSI B31.8S, Appendix A3.

(2) Assessment method. The plan must provide that if conditions for SCC are identified in a covered segment, an operator must assess the covered segment using an integrity assessment method specified in ASME/ANSI B31.8S, Appendix A3, and remediate the threat in accordance with ASME/ANSI B31.8S, Appendix A3, section A3.4.
An operator using the confirmatory direct assessment (CDA) method as allowed in section 255.937 of this Part must have a plan that meets the requirements of this section and of sections 255.925 (ECDA) and 255.927 of this Part (ICDA).

(a) Threats. An operator may only use CDA on a covered segment to identify damage resulting from external corrosion or internal corrosion.

(b) External corrosion plan. An operator's CDA plan for identifying external corrosion must comply with section 255.925 of this Part with the following exceptions.

1. The procedures for indirect examination may allow use of only one indirect examination tool suitable for the application.

2. The procedures for direct examination and remediation must provide that-
   (i) All immediate action indications must be excavated for each ECDA region; and
   (ii) At least one high risk indication that meets the criteria of scheduled action must be excavated in each ECDA region.

(c) Internal corrosion plan. An operator's CDA plan for identifying internal corrosion must comply with section 255.927 of this Part except that the plan's procedures for identifying locations for excavation may require excavation of only one high risk location in each ICDA region.

(d) Defects requiring near-term remediation. If an assessment carried out under subdivision (b) or (c) of this section reveals any defect requiring remediation prior to the next scheduled assessment, the operator must schedule the next assessment in accordance with NACE SP 0502 (as described in section 10.3 of this Title), sections 6.2 and 6.3. If the defect requires immediate remediation, then the operator must reduce pressure consistent with section 255.933 of this Part until the operator has completed reassessment using one of the assessment techniques allowed in section 255.937 of this Part.

255.933 Addressing integrity issues.

(a) General requirements. An operator must take prompt action to address all anomalous conditions that the operator discovers through the integrity assessment. In addressing all conditions, an operator must evaluate all anomalous conditions and remediate those that could reduce a pipeline's integrity. An operator must be able to demonstrate that the remediation of the condition will ensure that the condition is unlikely to pose a threat to the integrity of the pipeline until the next reassessment of the covered segment. If an operator is unable to respond within the time limits for certain conditions specified in this section, the operator must temporarily reduce the operating pressure of the pipeline or take other action that ensures the safety of the covered segment. If pressure is reduced, an operator must determine the temporary reduction in operating pressure using ASME/ANSI B31G (as described in section 10.3 of this Title) Pipeline Research Council, International, PR-3-805 ("RSTRENG"; as described in section 10.3 of this Title) or reduce the operating pressure to a level not exceeding 80% of the level at the time the condition was discovered. A reduction in operating pressure cannot exceed 365 days without an operator providing a technical justification that the continued pressure restriction will not jeopardize the integrity of the pipeline.

(b) Discovery of condition. Discovery of a condition occurs when an operator has adequate information about a condition to determine that
the condition presents a potential threat to the integrity of the pipeline. A condition that presents a potential threat includes, but is not limited to, those conditions that require remediation or monitoring listed under paragraphs (1) through (3) of subdivision (d) of this section. An operator must promptly, but no later than 180 days after conducting an integrity assessment, obtain sufficient information about a condition to make that determination, unless the operator demonstrates that the 180-day period is impracticable.

(b) Discovery of condition. Discovery of a condition occurs when an operator has adequate information about a condition to determine that the condition presents a potential threat to the integrity of the pipeline. A condition that presents a potential threat includes, but is not limited to, those conditions that require remediation or monitoring listed under paragraphs (1) through (3) of subdivision (d) of this section. An operator must promptly, but no later than 180 days after conducting an integrity assessment, obtain sufficient information about a condition to make that determination, unless the operator demonstrates that the 180-day period is impracticable.

(c) Schedule for evaluation and remediation. An operator must complete remediation of a condition according to a schedule that prioritizes the conditions for evaluation and remediation. Unless a special requirement for remediating certain conditions applies, as provided in subdivision (d) of this section, an operator must follow the schedule in ASME/ANSI B31.8S (as described in section 10.3 of this Title), section 7, Figure 4. If an operator cannot meet the schedule for any condition, the operator must justify the reasons why it cannot meet the schedule and that the changed schedule will not jeopardize public safety. An operator must notify the Department and OPS in accordance with section 255.949 of this part if it cannot meet the schedule and cannot provide safety through a temporary reduction in operating pressure or other action.

(d) Special requirements for scheduling remediation.

(1) Immediate repair conditions. An operator's evaluation and remediation schedule must follow ASME/ANSI B31.8S, section 7 in providing for immediate repair conditions. To maintain safety, an operator must temporarily reduce operating pressure in accordance with paragraph (a) of this section or shut down the pipeline until the operator completes the repair of these conditions. An operator must treat the following conditions as immediate repair conditions:

(i) A calculation of the remaining strength of the pipe shows a predicted failure pressure less than or equal to 1.1 times the maximum allowable operating pressure at the location of the anomaly. Suitable remaining strength calculation methods include, ASME/ANSI B31G; PRCI PR-3-805 RSTRENG; or an alternative equivalent method of remaining strength calculation. These documents are incorporated by reference and available at the addresses listed in section 10.3 of this Title.

(ii) A dent that has any indication of metal loss, cracking or a stress riser.

(iii) An indication or anomaly that in the judgment of the person designated by the operator to evaluate the assessment results requires immediate action.

(2) One-year conditions. Except for conditions listed in paragraphs (d)(1) and (d)(3) of this section, an operator must remediate any of the following within one year of discovery of the condition:

(i) A smooth dent located between the 8 o'clock and 4 o'clock
(ii) A dent with a depth greater than 2% of the pipeline's diameter (0.250 inches (6 millimeters) in depth for a pipeline diameter less than NPS 12) that affects pipe curvature at a girth weld or at a longitudinal seam weld.

(3) Monitored conditions. An operator does not have to schedule the following conditions for remediation, but must record and monitor the conditions during subsequent risk assessments and integrity assessments for any change that may require remediation:

(i) A dent with a depth greater than 6% of the pipeline diameter (greater than 0.50 inches (13 millimeters) in depth for a pipeline diameter less than NPS 12) located between the 4 o'clock position and the 8 o'clock position (bottom 1/3 of the pipe).

(ii) A dent located between the 8 o'clock and 4 o'clock positions (upper 2/3 of the pipe) with a depth greater than 6% of the pipeline diameter (greater than 0.50 inches (13 millimeters) in depth for a pipeline diameter less than NPS 12), and engineering analyses of the dent demonstrate critical strain levels are not exceeded.

(iii) A dent with a depth greater than 2% of the pipeline's diameter (0.250 inches (6 millimeters) in depth for a pipeline diameter less than NPS 12) that affects pipe curvature at a girth weld or a longitudinal seam weld, and engineering analyses of the dent and girth or seam weld demonstrate critical strain levels are not exceeded. These analyses must consider weld properties.

.50 DOC 16B-255.935
NYCRR 255.935 Preventive and mitigative measures to protect the high consequence areas.

(a) General requirements. An operator must take additional measures beyond those already required by this Part to prevent a pipeline failure and to mitigate the consequences of a pipeline failure in a high consequence area. An operator must base the additional measures on the threats the operator has identified to each pipeline segment. (See section 255.917 of this Part) An operator must conduct, in accordance with one of the risk assessment approaches in ASME/ANSI B31.8S (as described in section 10.3 of this Title), section 5, a risk analysis of its pipeline to identify additional measures to protect the high consequence area and enhance public safety. Such additional measures include, but are not limited to, installing Automatic Shut-off Valves or Remote Control Valves, installing computerized monitoring and leak detection systems, replacing pipe segments with pipe of heavier wall thickness, providing additional training to personnel on response procedures, conducting drills with local emergency responders and implementing additional inspection and maintenance programs.

(b) Third party damage and outside force damage.

(1) Third party damage. An operator must enhance its damage prevention program, as required under section 255.614 of this Part, with respect to a covered segment to prevent and minimize the consequences of a release due to third party damage. Enhanced measures to an existing damage prevention program include, at a minimum--

(i) Using qualified personnel (see section 255.915 of this Part) for work an operator is conducting that could adversely affect the integrity
of a covered segment, such as marking, locating, and direct supervision of known excavation work.

(ii) Collecting in a central database information that is location specific on excavation damage that occurs in covered and noncovered segments in the transmission system and the root cause analysis to support identification of targeted additional preventative and mitigative measures in the high consequence areas. This information must include recognized damage that is not required to be reported as an incident under sections 255.801 (a) and 255.831 of this Part.

(iii) Participating in one-call systems in locations where covered segments are present.

(iv) Monitoring of excavations conducted on covered pipeline segments by pipeline personnel. If an operator finds physical evidence of encroachment involving excavation that the operator did not monitor near a covered segment, an operator must either excavate the area near the encroachment or conduct an above ground survey using methods defined in NACE RP-0502 (as described in section 10.3 of this Title). An operator must excavate, and remediate, in accordance with ANSI/ASME B31.8S and section 255.933 of this Part any indication of coating holidays or discontinuity warranting direct examination.

(2) Outside force damage. If an operator determines that outside force (e.g., earth movement, floods, unstable suspension bridge) is a threat to the integrity of a covered segment, the operator must take measures to minimize the consequences to the covered segment from outside force damage. These measures include, but are not limited to, increasing the frequency of aerial, foot or other methods of patrols, adding external protection, reducing external stress, and relocating the line.

(c) Automatic shut-off valves (ASV) or Remote control valves (RCV). If an operator determines, based on a risk analysis, that an ASV or RCV would be an efficient means of adding protection to a high consequence area in the event of a gas release, an operator must install the ASV or RCV. In making that determination, an operator must, at least, consider the following factors—swiftness of leak detection and pipe shutdown capabilities, the type of gas being transported, operating pressure, the rate of potential release, pipeline profile, the potential for ignition, and location of nearest response personnel.

(d) Pipelines operating below 30% SMYS. An operator of a transmission pipeline operating below 30% SMYS located in a high consequence area must follow the requirements in paragraphs (1) and (2) of this subdivision. An operator of a transmission pipeline operating below 30% SMYS located in a Class 3 or Class 4 area but not in a high consequence area must follow the requirements in paragraphs (1), (2) and (3) of this subdivision.

(1) Apply the requirements in subparagraphs (i) and (iii) of paragraph (1) of subdivision (b) of this section to the pipeline; and

(2) Either monitor excavations near the pipeline, or conduct patrols as required by section 255.705 of this Part of the pipeline at bi-monthly intervals. If an operator finds any indication of unreported construction activity, the operator must conduct a follow up investigation to determine if mechanical damage has occurred.

(3) Perform semi-annual leak surveys (quarterly for unprotected pipelines or cathodically protected pipe where electrical surveys are impractical).

(e) Plastic transmission pipeline. An operator of a plastic
transmission pipeline must apply the requirements in subparagraphs (i),
(iii) and (iv) of paragraph (1) of subdivision (b) of this section to
the covered segments of the pipeline.

255.937 Continual process of evaluation and assessment.
(a) General. After completing the baseline integrity assessment of a
covered segment, an operator must continue to assess the line pipe of
that segment at the intervals specified in section 255.939 of this Part
and periodically evaluate the integrity of each covered pipeline segment
as provided in subdivision (b) of this section. An operator must
reassess a covered segment on which a prior assessment is credited as a
baseline under section 255.921(e) of this Part by no later than December
17, 2009. An operator must reassess a covered segment on which a
baseline assessment is conducted during the baseline period specified in
section 255.921(d) of this Part by no later than seven years after the
baseline assessment of that covered segment unless the evaluation under
subdivision (b) of this section indicates earlier reassessment.

(b) Evaluation. An operator must conduct a periodic evaluation as
frequently as needed to assure the integrity of each covered segment.
The periodic evaluation must be based on a data integration and risk
assessment of the entire pipeline as specified in section 255.917 of
this Part. For plastic transmission pipelines, the periodic evaluation
is based on the threat analysis specified in section 255.917(d) of this
Part. For all other transmission pipelines, the evaluation must
consider the past and present integrity assessment results, data
integration and risk assessment information (section 255.917 of this
Part), and decisions about remediation (section 255.933 of this Part)
and additional preventive and mitigative actions (section 255.935 of
this Part). An operator must use the results from this evaluation to
identify the threats specific to each covered segment and the risk
represented by these threats.

(c) Assessment methods. In conducting the integrity reassessment, an
operator must assess the integrity of the line pipe in the covered
segment by any of the following methods as appropriate for the threats
to which the covered segment is susceptible (see section 255.917 of this
Part), or by confirmatory direct assessment under the conditions
specified in section 255.931 of this Part.

(1) Internal inspection tool or tools capable of detecting corrosion,
and any other threats to which the covered segment is susceptible. An
operator must follow ASME/ANSI B31.8S (as described in section 10.3 of
this Title), section 6.2 in selecting the appropriate internal
inspection tools for the covered segment.

(2) Pressure test conducted in accordance with the testing
requirements of this Part. An operator must use the test pressures
specified in Table 3 of section 5 of ASME/ANSI B31.8S, to justify an
extended reassessment interval in accordance with section 255.939 of
this Part.

(3) Direct assessment to address threats of external corrosion,
internal corrosion, or stress corrosion cracking. An operator must
conduct the direct assessment in accordance with the requirements listed
in section 255.923 of this Part and with as applicable, the requirements
specified in section 255.925, 255.927 or 255.929 of this Part;

(4) Other technology that an operator demonstrates can provide an
equivalent understanding of the condition of the line pipe. An operator
choosing this option must notify the Department and OPS 180 days before conducting the assessment, in accordance with section 255.949 of this Part.

(5) Confirmatory direct assessment when used on a covered segment that is scheduled for reassessment at a period longer than seven years. An operator using this reassessment method must comply with section 255.931 of this Part.

255.939 Reassessment intervals.
An operator must comply with the following requirements in establishing the reassessment interval for the operator's covered pipeline segments.

(a) Pipelines operating at or above 30% SMYS. An operator must establish a reassessment interval for each covered segment operating at or above 30% SMYS in accordance with the requirements of this section. The maximum reassessment interval by an allowable reassessment method is seven years. If an operator establishes a reassessment interval that is greater than seven years, the operator must, within the seven-year period, conduct a confirmatory direct assessment on the covered segment, and then conduct the follow-up reassessment at the interval the operator has established. A reassessment carried out using confirmatory direct assessment must be done in accordance with section 255.931 of this Part. The table that follows this section sets forth the maximum allowed reassessment intervals.

(1) Pressure test or internal inspection or other equivalent technology. An operator that uses pressure testing or internal inspection as an assessment method must establish the reassessment interval for a covered pipeline segment by-
   (i) Basing the interval on the identified threats for the covered segment (see section 255.917 of this Part) and on the analysis of the results from the last integrity assessment and from the data integration and risk assessment required by section 255.917 of this Part; or
   (ii) using the intervals specified for different stress levels of pipeline (operating at or above 30 percent SMYS) listed in ASME/ANSI B31.8S, section 5, table 3 (as described in section 10.3 of this Title).

(2) External Corrosion Direct Assessment. An operator that uses ECDA that meets the requirements of sections 255.901 through 255.951 of this Part must determine the reassessment interval according to the requirements in paragraphs 6.2 and 6.3 of NACE RP0502 (as described in section 10.3 of this Title).

(3) Internal Corrosion or SCC Direct Assessment. An operator that uses ICDA or SCCDA in accordance with the requirements of sections 255.901 through 255.951 of this Part must determine the reassessment interval according to the following method. However, the reassessment interval cannot exceed those specified for direct assessment in ASME/ANSI B31.8S, section 5, Table 3.
   (i) Determine the largest defect most likely to remain in the covered segment and the corrosion rate appropriate for the pipe, soil and protection conditions;
   (ii) Use the largest remaining defect as the size of the largest defect discovered in the SCC or ICDA segment; and
   (iii) Estimate the reassessment interval as half the time required for the largest defect to grow to a critical size.

(b) Pipelines Operating Below 30% SMYS. An operator must establish a
reassessment interval for each covered segment operating below 30% SMYS in accordance with the requirements of this section. The maximum reassessment interval by an allowable reassessment method is seven years. An operator must establish reassessment by at least one of the following:

1. Reassessment by pressure test, internal inspection or other equivalent technology following the requirements in paragraph (a)(1) of this section except that the stress level referenced in subparagraph (a)(1)(ii) of this section would be adjusted to reflect the lower operating stress level. If an established interval is more than seven years, the operator must conduct by the seventh year of the interval either a confirmatory direct assessment in accordance with section 255.931 of this Part, or a low stress reassessment in accordance with section 255.941 of this Part.

2. Reassessment by ECDA following the requirements in paragraph (a)(2) of this section.

3. Reassessment by ICDA or SCCDA following the requirements in paragraph (a)(3) of this section.

4. Reassessment by confirmatory direct assessment at 7-year intervals in accordance with section 255.931 of this Part, with reassessment by one of the methods listed in paragraphs (1) through (3) of subdivision (b) of this section by year 20 of the interval.

5. Reassessment by the low stress assessment method at 7-year intervals in accordance with section 255.941 of this Part with reassessment by one of the methods listed in paragraphs (1) through (3) of subdivision (b) of this section by year 20 of the interval.

6. The following table sets forth the maximum reassessment intervals. Also refer to Appendix 14-E.II for guidance on Assessment Methods and Assessment Schedule for Transmission Pipelines Operating Below 30% SMYS. In case of conflict between the rule and the guidance in the Appendix, the requirements of the rule control.

An operator must comply with the following requirements in establishing a reassessment interval for a covered segment:

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<th>MAXIMUM REASSESSMENT INTERVAL</th>
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<th>Assessment method</th>
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<td>Low Stress Reassessment..</td>
<td>Not applicable...</td>
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<td>7 years + ongoing actions</td>
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(1) Cathodically protected pipe. To address the threat of external corrosion on cathodically protected pipe in a covered segment, an operator must perform an electrical survey (i.e. indirect examination tool/method) at least every 7 years on the covered segment. An operator must use the results of each survey as part of an overall evaluation of the cathodic protection and corrosion threat for the covered segment. This evaluation must consider, at minimum, the leak repair and inspection records, corrosion monitoring records, exposed pipe inspection records, and the pipeline environment.

(2) Unprotected pipe or cathodically protected pipe where electrical surveys are impractical. If an electrical survey is impractical on the covered segment an operator must-

(i) Conduct leakage surveys as required by section 255.706 of this Part, at 4-month intervals; and
(ii) Every 18 months, identify and remediate areas of active corrosion by evaluating leak repair and inspection records, corrosion monitoring records, exposed pipe inspection records, and the pipeline environment.

(c) Internal corrosion. To address the threat of internal corrosion on a covered segment, an operator must-

(1) Conduct a gas analysis for corrosive agents at least once each calendar year;
(2) Conduct periodic testing of fluids removed from the segment. At least once each calendar year test the fluids removed from each storage field that may affect a covered segment; and
(3) At least every seven (7) years, integrate data from the analysis and testing required by paragraphs (1) and (2) of subdivision (c) with applicable internal corrosion leak records, incident reports, safety related condition reports, repair records, patrol records, exposed pipe reports, and test records, and define and implement appropriate remediation actions.

(a) Waiver from reassessment interval in limited situations. In the following limited instances, the Department and OPS may allow a waiver from a reassessment interval required by section 255.939 of this Part if
the Department and OPS find a waiver would not be inconsistent with pipeline safety.

(1) Lack of internal inspection tools. An operator who uses internal inspection as an assessment method may be able to justify a longer reassessment period for a covered segment if internal inspection tools are not available to assess the line pipe. To justify this, the operator must demonstrate that it cannot obtain the internal inspection tools within the required reassessment period and that the actions the operator is taking in the interim ensure the integrity of the covered segment.

(2) Maintain product supply. An operator may be able to justify a longer reassessment period for a covered segment if the operator demonstrates that it cannot maintain local product supply if it conducts the reassessment within the required interval.

(b) How to apply. If one of the conditions specified in paragraph (1) or (2) of subdivision (a) of this section applies, an operator may seek a waiver of the required reassessment interval. An operator must apply for a waiver in accordance with 49 U.S.C. section 60118(c), at least 180 days before the end of the required reassessment interval, unless local product supply issues make the period impractical. If local product supply issues make the period impractical, an operator must apply for the waiver as soon as the need for the waiver becomes known.

255.945 Measuring program effectiveness.

(a) General. An operator must include in its integrity management program methods to measure whether the program is effective in assessing and evaluating the integrity of each covered pipeline segment and in protecting the high consequence areas. These measures must include the four overall performance measures specified in ASME/ANSI B31.8S (as described in section 10.3 of this Title), section 9.4, and the specific measures for each identified threat specified in ASME/ANSI B31.8S, Appendix A. An operator must submit the four overall performance measures as part of the annual report required by 49 CFR Section 191.17.

(b) External Corrosion Direct Assessment. In addition to the general requirements for performance measures in subdivision (a) of this section, an operator using direct assessment to assess the external corrosion threat must define and monitor measures to determine the effectiveness of the ECDA process. These measures must meet the requirements of section 255.925 of this Part.

255.947 Records.

An operator must maintain, for the useful life of the pipeline, records that demonstrate compliance with the requirements of sections 255.901 through 255.951 of this Part. At minimum, an operator must maintain the following records for review during an inspection.

(a) A written integrity management program in accordance with section 255.907 of this Part;

(b) Documents supporting the threat identification and risk assessment in accordance with section 255.917 of this Part;

(c) A written baseline assessment plan in accordance with section 255.919 of this Part;

(d) Documents to support any decision, analysis and process developed and used to implement and evaluate each element of the baseline assessment plan and integrity management program. Documents include
those developed and used in support of any identification, calculation, amendment, modification, justification, deviation and determination made, and any action taken to implement and evaluate any of the program elements;

(e) Documents that demonstrate personnel have the required training, including a description of the training program, in accordance with sections 255.915 of this Part;

(f) Schedule required by section 255.933 of this Part that prioritizes the conditions found during an assessment for evaluation and remediation, including technical justifications for the schedule;

(g) Documents to carry out the requirements in sections 255.923 through 255.929 of this Part for a direct assessment plan;

(h) Documents to carry out the requirements in section 255.931 of this Part, for confirmatory direct assessment;

(i) Verification that an operator has provided any documentation or notification required by sections 255.901 through 255.951 of this Part to be provided to the Department and OPS.

255.949 Notifications requirements.

An operator must submit any notification required by sections 255.901 through 255.951 of this Part. Such notification must also be submitted to the U.S. Department of Transportation in accordance with 49 CFR section 192.949.

255.951 Reporting requirements.

An operator must submit any report required by sections 255.901 through 255.951 of this Part to the Department. Such reports must also be submitted to the U.S. Department of Transportation in accordance with 49 CFR section 192.951.

Section 255.1001 Definitions that apply to sections 255.1003 through 255.1015.

The following definitions apply to a GDPIM plan:

(a) Excavation Damage means any impact that results in the need to repair or replace an underground facility due to a weakening, or the partial or complete destruction, of the facility, including, but not limited to, the protective coating, lateral support, cathodic protection or the housing for the line device or facility.

(b) Hazardous Leak means a leak as defined in section 255.811 of this Part.

(c) Gas Distribution Pipeline Integrity Management Plan or GDPIM plan means a written explanation of the mechanisms or procedures the operator will use to implement its GDPIM management program and to ensure compliance with sections 255.1003 through 255.1015.

(d) Gas Distribution Pipeline Integrity Management Program or GDPIM program means an overall approach by an operator to ensure the integrity of its gas distribution system.

(e) Mechanical fitting means a mechanical device used to connect sections of pipe. The term "Mechanical fitting" applies only to:

(1) Stab Type fittings;
(2) Nut Follower Type fittings;
(3) Bolted Type fittings; or
(4) Other Compression Type fittings.

(f) Small LPG Operator means an operator of a liquefied petroleum gas
(LPG) distribution pipeline that serves fewer than 100 customers from a single source.

255.1003 General requirements of a GDPIM plan.

(a) Unless exempted in subdivision (b) of this section, Sections 255.1003 through 255.1015 of this Part prescribe the minimum requirements for a GDPIM program for any gas distribution pipeline covered under this Part, including liquefied petroleum gas systems. A gas distribution operator, other than a master meter operator or small LPG operator, must follow the requirements in sections 255.1005 through 255.1013 of this Part. A master meter operator or small LPG operator of a gas distribution pipeline must follow the requirements in section 255.1015 of this Part.

(b) Exceptions. Sections 255.1003 through 255.1015 of this Part do not apply to an individual service line directly connected to a transmission, gathering, or production pipeline.

255.1005 Implementation requirements of a GDPIM plan.

No later than August 2, 2011 a gas distribution operator must develop and implement a GDPIM program that includes a written GDPIM plan as specified in section 255.1007.

255.1007 Required elements of a GDPIM plan.

A written GDPIM plan must contain procedures for developing and implementing the following elements:

(a) Knowledge. An operator must demonstrate an understanding of its gas distribution system developed from reasonably available information.

1) Identification of the characteristics of the pipeline's design and operations and the environmental factors that are necessary to assess the applicable threats and risks to its gas distribution pipeline.

2) Consideration of the information gained from past design, operations, and maintenance.

3) Identification of the additional information needed and provide a plan for gaining that information over time through normal activities conducted on the pipeline (for example, design, construction, operations or maintenance activities).

4) Development and implementation of a process by which the GDPIM program will be reviewed periodically and refined and improved as needed.

5) Provision for the capture and retention of data on any new pipeline installed. The data must include, at a minimum, the location where the new pipeline is installed and the material of which it is constructed.

(b) Identify threats. The operator must consider the following categories of threats to each gas distribution pipeline:

1) corrosion;

2) natural forces;

3) excavation damage;

4) other outside force damage;

5) material, weld or joint failure (including compression coupling);

6) equipment failure;

7) incorrect operation; and

8) other concerns that could threaten the integrity of its pipeline. An operator must consider reasonably available information to identify
existing and potential threats. Sources of data may include, but are not limited to, incident and leak history, corrosion control records, continuing surveillance records, patrolling records, maintenance history, and excavation damage experience.

(c) Evaluate and rank risk. An operator must evaluate the risks associated with its distribution pipeline. In this evaluation, the operator must determine the relative importance of each threat and estimate and rank the risks posed to its pipeline. This evaluation must consider each applicable current and potential threat, the likelihood of failure associated with each threat, and the potential consequences of such a failure. An operator may subdivide its pipeline into regions with similar characteristics (e.g., contiguous areas within a distribution pipeline consisting of mains, services and other appurtenances; areas with common materials or environmental factors), and for which similar actions likely would be effective in reducing risk.

(d) Identify and implement measures to address risks. Determine and implement measures designed to reduce the risks from failure of its gas distribution pipeline. These measures would include an effective leak management program as required by sections 255.805 through 255.821, unless all leaks are repaired when found.

(e) Measure performance, monitor results, and evaluate effectiveness.

(1) Develop and monitor performance measures from an established baseline to evaluate the effectiveness of its GDPIM program. An operator must consider the results of its performance monitoring in periodically re-evaluating the threats and risks. These performance measures must include the following:

   (i) Number of hazardous leaks either eliminated or repaired or total number of leaks if all leaks are repaired when found, categorized by cause;

   (ii) Number of excavation damages;

   (iii) Number of excavation tickets (receipt of information by the underground facility operator from the one-call notification center pursuant to Part 753 Protection of Underground Facilities, Subpart 753-5 One-Call Notification Systems of this Title);

   (iv) Total number of leaks either eliminated or repaired, categorized by cause;

   (v) Number of hazardous leaks either eliminated or repaired or total number of leaks if all leaks are repaired when found, categorized by material; and

   (vi) Any additional measures the operator determines are needed to evaluate the effectiveness of the operator's GDPIM program in controlling each identified threat.

(f) Periodic evaluation and improvement. An operator must reevaluate threats and risks on its entire pipeline and consider the relevance of threats in one location to other areas. Each operator must determine the appropriate period for conducting complete program evaluations based on the complexity of its system and changes in factors affecting the risk of failure. An operator must conduct a complete program re-evaluation at least every five years. The operator must consider the results of the performance monitoring in these evaluations.

(g) Report results. Report, on an annual basis, the four measures listed in paragraphs (e)(1)(i) through (e)(1)(iv) of this section, as part of the annual report required by 49 CFR Part 191.11.

.SO DOC 16B-255.1009 NYCRR
255.1009 Required report when compression couplings fail.
   (a) Except as provided in paragraph (b) of this section, each operator
        of a distribution pipeline system must submit a report on each
        mechanical fitting failure, excluding any failure that results only in a
        non-hazardous leak, on a Department of Transportation Form PHMSA
        F-7100.1-2. The report(s) must be submitted in accordance with 49 CFR
        191.12.

(b) The mechanical fitting failure reporting requirements in paragraph
    (a) of this section do not apply to the following:
    (1) Small LPG operator as defined in section 255.1001; or
    (2) LNG facilities.

255.1011 Records an operator must keep.
   An operator must maintain records demonstrating compliance with the
   requirements of sections 255.1003 through 255.1015 for at least 10
   years. The records must include copies of superseded GDPIM plans
   developed under sections 255.1003 through 255.1015.

255.1013 Deviations from required periodic inspections.
   (a) An operator may propose to reduce the frequency of periodic
       inspections and tests required in this Part on the basis of the
       engineering analysis and risk assessment required by this subpart.
       (b) An operator must submit its proposal to the Public Service
           Commission as prescribed in sections 255.13(c). The Public Service
           Commission may accept the proposal on its own authority, with or without
           conditions and limitations, on a showing that the operator's proposal,
           which includes the adjusted interval, will provide an equal or greater
           overall level of safety.
   (c) An operator may implement an approved reduction in the frequency
       of a periodic inspection or test only where the operator has developed
       and implemented an integrity management program that provides an equal
       or improved overall level of safety despite the reduced frequency of
       periodic inspections.

255.1015 GDPIM plan requirements for a master meter or a small
        liquefied petroleum gas (LPG) operator.
   (a) General. No later than August 2, 2011 the operator of a master
       meter or small LPG system must develop and implement a GDPIM program
       that includes a written GDPIM plan as specified in subdivision (b) of
       this section. The GDPIM program for these pipelines should reflect the
       relative simplicity of these types of pipelines.
   (b) Elements. A written GDPIM plan must address, at a minimum, the
       following elements:
       (1) Knowledge. The operator must demonstrate knowledge of its
           pipeline, which, to the extent known, should include the approximate
           location and material of its pipeline. The operator must identify
           additional information needed and provide a plan for gaining knowledge
           over time through normal activities conducted on the pipeline (for
           example, design, construction, operations or maintenance activities).
       (2) Identify threats. The operator must consider, at minimum, the
           following categories of threats (existing and potential): corrosion,
           natural forces, excavation damage, other outside force damage, material
           or weld failure, equipment failure, and incorrect operation.
       (3) Rank risks. The operator must evaluate the risks to its pipeline
and estimate the relative importance of each identified threat.

(4) Identity and implement measures to mitigate risks. The operator must determine and implement measures designed to reduce the risks from failure of its pipeline.

(5) Measure performance, monitor results, and evaluate effectiveness. The operator must monitor, as a performance measure, the number of leaks eliminated or repaired on its pipeline and their causes.

(6) Periodic evaluation and improvement. The operator must determine the appropriate period for conducting GDPIM program evaluations based on the complexity of its pipeline and changes in factors affecting the risk of failure. An operator must re-evaluate its entire GDPIM program at least every five years. The operator must consider the results of the performance monitoring in these evaluations.

(c) Records. The operator must maintain, for a period of at least 10 years, the following records:

(1) A written GDPIM plan in accordance with this section, including superseded GDPIM plans;
(2) Documents supporting threat identification; and
(3) Documents showing the location and material of all piping and appurtenances that are installed after the effective date of the operator's GDPIM program and, to the extent known, the location and material of all pipe and appurtenances that were existing on the effective date of the operator's GDPIM program.

PART 256
INSPECTION AND MAINTENANCE OF GAS HOLDERS
(Statutory authority: Public Service Law, Art. 2 (§§ 30-52))

Sec.
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256.5 Access to waterless holders
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256.7 First aid and protective equipment
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256.19 Purging
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256.21 General safety provisions

Section 256.1 Supervision. All inspections and maintenance shall be under the personal direction of competent engineers or supervisors designated by the responsible operating official.
256.2 Forms and reports. All pertinent data obtained as a result of an inspection shall be entered on forms appropriate for the purpose. These reports shall receive the prompt attention of the responsible operating official, who shall issue the necessary instructions when the data in the reports is indicative of conditions requiring immediate attention. Instructions so issued shall form part of the permanent records of the company.

256.3 Fences and enclosures. Holders shall be protected by suitable fencing or other adequate means shall be provided for preventing access to holder structures by unauthorized persons.

256.4 Fire protection. A suitable number of fire hydrants shall be located at a distance of not more than 500 feet from the holder shell to insure an adequate supply of water in case of fire, excepting in the outlying territory where no water supply is available and/or where there are no buildings within 300 feet of the holder. No permanent buildings shall be erected on company property within 100 feet of a holder shell, except buildings of fire resisting construction and no gas, oil or other highly inflammable material (except lubricating oil) shall be stored therein. All gasoline tanks for use of company vehicles shall be placed underground; no temporary structures shall be erected at a radial distance of less than 50 feet from the holder shell; no combustible material of any kind shall be stored in a temporary structure of wood or other inflammable material.

256.5 Access to waterless holders. The doors on stairways and external elevators leading to top of holder shall be locked at all times. The doors shall not be unlocked except by authorized employees. A separate set of keys shall be kept in a definite location available to authorized employees for use in cases of emergency.

256.6 Exterior and interior elevators--waterless holders. A test and inspection of the exterior and interior elevator safety devices, cables, hoists, rope baskets, drums, sheaves, etc., shall be made at least once a year by trained elevator inspectors not connected with the company or any of its affiliates. An inspection of the exterior elevator shall be made at least once a week by the company. Inspection of interior elevator shall be made as outlined herein under "Interior Inspectors--Waterless Holders."

256.7 First aid and protective equipment. All waterless holders shall have as a minimum the following items of equipment readily accessible at the specified locations:
   (a) Two pieces of self-contained oxygen breathing apparatus of a manufacture approved by the United States Bureau of Mines located as follows: one on upper platform or balcony; one on piston.
   (b) Four fire-proofed woolen blankets located as follows: two on upper platform or balcony; two on piston.
   (c) A sufficient number of extra oxygen cylinders shall be readily available on the holder or adjacent thereto.

256.8 Interior inspection and maintenance crew--waterless holders. An interior inspection and maintenance crew shall be available at all times.
and shall consist of at least three men, one of whom is a foreman or his immediate assistant. One man during the period of inspection shall remain on the upper landing or gallery in such a position where he can be in constant communication with the men on the piston. Where practicable telephonic communication with the engineers or supervisor's office shall be available to the man on the upper landing or gallery. All members of the crew shall be instructed and periodically drilled in the Schaefer method of resuscitation.

256.9 Preliminary precautions before entering piston chamber. Employees before entering or descending to piston chamber shall satisfy themselves that the motor driven elevator, hand operated safety hoist and folding ladders, are in a proper operating condition and that all items described herein under "First Aid and Protective Equipment" are at their specified locations.

If any item of the mechanical apparatus is not operating properly, no descent to the piston shall be made until the item is placed in proper working order. The safety basket on the hand operated safety hoist shall be ready for immediate use before descending to piston.

256.10 Tar pumping equipment--waterless holders. Tar and skimmer pumps, including electrical equipment, tar conditioners and tar pipe lines shall be inspected at least once a week for necessary repairs and adjustments. Riser pump run indicators, switches, float rods, and gears of timing device shall be examined and inspected daily. Emergency drives for pumps shall be tested at least once a month to insure immediate availability for service. Records of pump runs shall be taken at least once a day.

256.11 Interior inspections--waterless holders. (a) Interior inspections shall be made at least once a week and shall in general comprise the following:
- Inspection of skylight glass on holder top.
- Inspection of lenses in flood lights.
- Examination of tar in seal to detect presence of oil and water.
- Inspection of piston guide rollers, rubbing bars, and levers for proper lubrication and freedom of movement.
- Inspection of sealing or packing rings.
- Measuring position of piston to determine piston level.
- Inspection of motors, drums, cables, sheaves, safety baskets, and lubrication of motor elevator and hand operated elevator.

(b) The depth of cup tar in each alternate bay shall be measured daily. If the atmospheric temperature is below 26 degrees Fahrenheit, the condition of tar in seal shall be examined at least every day. The tar in the cup and dam shall be sampled and analyzed at least once a week. When the piston of a waterless holder is of the flexible seal ring type an adequate supply of suitable anti-freeze liquid shall be stored on the piston to insure the prompt removal of any frost and ice that may form on the inner surface of the shell during cold weather.

256.12 Atmosphere above piston--waterless holders. At least once each week a test shall be made of the quality of the atmosphere above the piston. Smoking and use of devices of any kind that might ignite an explosive mixture shall not be permitted in the piston chamber. All
Electric lights in space above piston shall be of the vapor-proof type. Electric motors, electric wiring and devices for all uses shall be in accordance with the Fire Underwriters requirements.

256.13 Holder connections and piping. Valves for connections to holders including relief valves for pressure tanks shall be inspected and tested for opening, closing and leakage at least twice a year. All necessary adjustments and repairs shall be made to restore each item to a high operating efficiency. Gate valves on inlet and outlet connections shall be tested for free movement, and inspection for lubrication of stems and condition of packing at least once a week. Where practicable, control valves shall be provided on inlet and outlet connections at a point distant from the holder, and inlet, outlet and by-pass valves shall be motorized. All piping in proximity to holders shall where practicable be placed underground.

256.14 Pressure tanks--foundations and supports. An annual examination shall be made of foundations and supports for all pressure tanks to ascertain if all saddles and piers are fully supporting the tank. Any settlement which will produce additional structural strains shall be corrected at once.

256.15 Interior inspection--water-seal holders. After a long period of continuous use, not to exceed 20 years, physical tests shall be made upon specimens cut from the thin material of the crown plating, or after a period of continuous service, not to exceed 25 years, the tank shall be de-watered and a thorough interior inspection made of the condition of the shell, steel work, the internal rollers, and the permanent frame. The holder shall not be restored to service until the necessary preliminary precautions and the repairs as indicated by the inspection have been made.

256.16 Holder-cups--water-seal holders. The temperature and depth of water in cups shall be recorded at least twice a day during freezing weather. Holder-cup heating apparatus shall be inspected at least twice a day when in operation. During non-freezing weather the depth of water in cups shall be recorded at least once a day.

256.17 Exterior inspections--all holders. An inspection of the exterior of all holders shall be made at least once a month to ascertain the condition of paint, shell, framing and holder top. Guide rollers on water seal holders shall be inspected for lubricating, alignment, and clearance at least once a month. During winter months a crew shall be available to insure prompt removal of any unsafe accumulation of snow and ice on the top and other parts of the holder.

256.18 Cutting, welding and caulking. The use of cutting and welding apparatus shall not be permitted on equipment used for the storage of gas or apparatus accessory thereto until permission has been obtained from the operating engineer directly in charge of the work who shall verify fully if all the necessary precautions against fire and explosion have been taken. A pressure tank shall not be caulked with air tools until the pressure within is less than five pounds.
256.19 Purging. The purging of water-seal gas holders, waterless gas holders and pressure holders preparatory to extensive maintenance or construction work on holders, valves and pipe connections, shall be done in accordance with the latest procedure recommended by the American Gas Association Committee and accepted by the American Gas Association. As of this date the accepted procedure is dated March 15, 1933.

This same procedure shall be followed before the holder under repair is restored to service.

256.20 Supplementary inspection--all holders. At least once a year an inspection shall be made of all holders by competent independent inspectors or engineers not in the employ of the company. The inspectors or engineers shall submit complete reports to the responsible operating official.

256.21 General safety provisions. (a) Smoking, open flames or devices that might ignite an explosive mixture shall not be permitted in the immediate vicinity of the holder.

(b) During the progress of minor construction or maintenance work on holders, all customary safety rules prevailing in the plant, as well as those hereinbefore described, shall be rigidly adhered to. On work of the foregoing nature, experienced men shall be employed under direct and competent supervision, and all crews shall consist of at least two men.

(c) All procedures recommended by the American Gas Association for the purging, operation and maintenance of gasworks equipment and apparatus, including mains, are to be followed.

PART 257
LIQUEFIED PETROLEUM GAS PLANTS
(Statutory authority: Public Service Law, §§ 65(1), 66(2))

Sec.
257.0 Scope
257.1 Compliance with standard code
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257.3 Notification of proposed construction
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257.6 Instrumentation and electrical services
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257.9 Operating and maintenance procedures
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257.11 Emergencies

Section 257.0 Scope. (a) General application. Every gas corporation engaged in the storage, terminaling, handling, transfer, vaporization or air-gas mixing of liquefied petroleum gas (LPG) within the State of New York shall comply with the rules set forth in this Part. Except where otherwise indicated, it is not intended that these rules be applied retroactively to existing installations or to those under construction as of the effective date of this order insofar as design, fabrication, installation or testing are concerned.

(b) Items to which this Part does not apply. This Part does not apply to:
(1) design and fabrication of pressure vessels covered by the ASME Boiler and Pressure Vessel Code, section VIII, Pressure Vessels, Division 1 (as described in section 10.3 of this Title);
(2) proprietary items of equipment, apparatus or instruments;
(3) heat exchangers; or
(4) prefabricated units which employ plate and longitudinal welds, as contrasted to pipe.

(c) Waiver. If a waiver of or deviation from the application of any rules prescribed in this Part is indicated because of special facts, application may be made to the Public Service Commission for waiver of or deviation from the rules and regulations in this Part. Each request shall include a full and comprehensive justification for such requested waiver or deviation, together with a proposed alternate rule to be considered for application to the condition(s) requiring the waiver or deviation.

.SO DOC 16B-257.1
257.1 Compliance with standard code.
(a) All LPG facilities within the State of New York are to be constructed, operated and maintained, except as otherwise provided in this Part, in accordance with Standard for the Storage and Handling of Liquefied Petroleum Gases at Utility Gas Plants, ANSI/NFPA 59 (as described in section 10.3 of this Title) (referred to in this Part as NFPA 59), and such codes, specifications and standards referred to in the NFPA 59. Those provisions of the NFPA Code or associated references that have been indicated to be optional by phraseology, including "should," "preferably," "may" or "such as" (illustrative only), are mandatory in accordance with the intent of the NFPA Code except where an obvious contradiction occurs.

.SO DOC 16B-257.2
257.2 Definitions.
(a) When used in this Part, the terms below shall be defined as follows in lieu of or in addition to the NFPA definitions.
(b) Department. For this Part, department shall mean the Department of Public Service, Office of Electric, Gas and Water, Safety Section, or its successor.
(c) Facilities. For purposes of this Part, the term facilities shall be synonymous with the term systems as defined in NFPA.

.SO DOC 16B-257.3
257.3 Notification of proposed construction.
(a) Initial report. At least 30 days prior to the start of construction or reconstruction of any LPG facility, or portion thereof, each gas corporation shall file with the department a letter of intent, together with general design data for the proposed facility. The department shall be promptly notified of any significant change affecting the initial filing which may occur after submission of the initial filing. This requirement is intended to provide notice in those cases where piping alterations, installation of additional LP storage tanks, etc., could affect the safety of the facility. The requirement is not intended to apply to normal maintenance requiring replacement of small sections of existing pipe, etc.
(b) Test notification. At least five days prior to the commencement of any tests required by this Part during construction or reconstruction, the operator shall make notification to the department, except in an emergency shorter notice may be given.
(c) Final report. Before any LPG facility is placed into operation, a report shall be filed with the department certifying that the facility has been constructed and tested in accordance with the requirements of the rules prescribed in this Part. The report shall include a summary of tests made pursuant thereto. Detailed results of all tests shall be available for examination by representatives of the department.

257.4 General plant considerations.

LPG facilities shall meet the following requirements:

(a) Siting. Siting requirements shall be governed by NFPA-59 (as described in section 10.3 of this Title).

(b) Automatic plants. Automatic plants (i.e., remotely controlled or unmanned while operating) shall be equipped with flame detectors (which will cause the plant to fail-safe) and combustible gas detectors and such other equipment to transmit alarms to the appropriate gas corporation office, and in the event of fire to the local fire department. Heat sensors may be substituted for flame detectors within structures or in any other area where it can be demonstrated that the heat sensor is more effective than a flame detector.

(c) Wall openings. Wall openings shall be at or near floor level.

(d) Plant entrance and egress. Two separate and distinct entrances must be provided at each plant site to allow for emergency and/or fire fighting equipment to gain emergency access.

(e) Ventilation. All devices associated with calorimeters or calorimixers which may vent gas within the room in which the unit is located shall be vented through piping to the outside atmosphere.

(f) Compressor stations. If compressor stations are involved in the facility they shall meet all of the requirements of section 255.163 of this Title.

257.5 Piping systems and components.

(a) Pipe labeling. All plant piping shall be identified by color coding, printing or labeling. "Scheme for Identification of Piping Systems, ANSI/ASME A13.1" (as described in section 10.3 of this Title), or any existing corporation system may be used.

(b) Welding and welding inspection. (1) Notwithstanding NFPA 59, the quality of 100 percent if practical but not less than 90 percent of the shop and field welds in all piping two inches in nominal diameter or greater carrying LPG, flammable liquids, or flammable gas shall be nondestructively tested. Welds must meet requirements of API Standard 1104 (as described in section 10.3 of this Title) except for subsection 9.3.11 for undercutting to the root bead. Such undercutting shall not exceed two inches in length, or one sixth of the length of the weld, whichever is smaller. Nondestructive inspection may consist of radiographic examination, magnetic particle testing or ultrasonic. Other methods of nondestructive inspection may be used with prior approval of the department.

(2) When pipe carrying LPG, flammable liquids, or flammable gas has a nominal diameter of less than two inches, or when the construction project involves such a limited number of welds that nondestructive inspection would be impractical and the pipe is intended to operate at 20 percent or less of the specified minimum yield strength, then paragraph (1) of this subdivision is not mandatory, provided the welding is inspected visually and approved by a person qualified to inspect
(3) In addition to the nondestructive inspection requirements outlined in this subdivision, there shall be continual control of the quality of welding by qualified personnel.

(4) Each gas corporation constructing an LPG facility shall have written welding procedures and welder testing procedures for field welding conforming to API Standard 1104 (as described in section 10.3 of this Title). All welders employed to make welds shall be qualified under the welder testing procedure.

(c) Pressure testing. (1) Piping with a maximum operating pressure up to 100 PSIG shall be tested with a calibrated indicating or recording gauge that will indicate two PSIG increments or less, at 150 percent of the maximum operating pressure, or 90 PSIG, whichever is greater. The test must be conducted by maintaining the pressure at or above the test pressure for at least one hour after stabilization. The test medium shall be air, inert gas or water.

(2) Piping with a maximum operating pressure 100 PSIG and higher shall be tested with a calibrated recording pressure gauge that will indicate increments of five PSIG or less and shall be attached to the test section. The gauge must be calibrated hourly. Calibration is against a dead-weight tester, or equivalent device, attached to the test section. The test pressure shall be at least equal to 90 percent of SMYS or 1.5 times the maximum allowable operating pressure, whichever is less. The strength test must be conducted by maintaining the pressure at or above the test pressure for at least four hours after stabilization. The test medium shall be air, inert gas, or water unless the maximum operating pressure is in excess of 20 percent SMYS in which case the test medium must be water.

(3) Due consideration and care shall be observed due to effects of changes in ambient and test medium temperature in the case of above-ground or exposed piping.

(4) If a component other than pipe is the only item being replaced or added to a pipeline, a strength test after installation is not required, provided the manufacturer of the component certifies that:

(i) the component was tested to at least the pressure required for the pipeline to which it is being added;

(ii) the component was manufactured under a quality control system that ensures that each item manufactured is at least equal in strength to a prototype and that the prototype was tested to at least the pressure required for the pipeline to which it is being added; or

(iii) the component carries a pressure rating established through applicable ASME/ANSI, MSS specifications (as described in section 10.3 of this Title) or by unit strength calculations as described in section 255.143 of this Title.

(d) Valve operators. Powered operators shall be provided on emergency shut-off valves eight inches and larger in size. Means for manual operation shall also be provided.

257.6 Instrumentation and electrical services.

(a) Provision shall be made for the continued operation, in an emergency, of those systems which are required to be operative for the fail-safe or safe-standby condition of the plant.

(b) Electric power supply. Secondary standby electric power supply either from a second feed or on-site power shall be provided in new and
existing plants adequate to maintain service to facilities such as, but
not limited to, fire detection and protection systems, vital
instrumentation, and emergency controls in order to insure a fail-safe
or safe standby condition at all times.

(c) Fail-safe alternate. Where a gas corporation can demonstrate that
a plant will shut down in a fail-safe condition in the event of power
failure, the requirements in subdivision (a) of this section for
secondary standby electric power supply is not mandatory.

257.7 Corrosion control.

(a) Each operator shall establish procedures as required by section
257.9(g)(5) of this Part to implement the requirements of this section.
These procedures, including those for the design, installation,
operation and maintenance of cathodic protection systems, must be
carried out by, or under the direction of, a person qualified by
experience and training in pipeline corrosion control methods.

(b) Each cathodic protection system must provide a level of cathodic
protection that complies with one or more of the applicable criteria
contained in Appendix 14-D of this Title. If none of these criteria are
applicable, the cathodic protection system must provide a level of
cathodic protection at least equal to that provided by compliance with
one or more of these criteria.

257.8 Fire protection and safety.

(a) Transfer precautions. Prior to bringing a tank car or tank vehicle
into the transfer area, the atmosphere in the area shall be monitored
with a combustible gas detector to insure that no flammable
concentration of combustible gas is present.

(b) Annual operating test. An operating test of the plant shall be
made at least once each calendar year with a maximum interval of 15
months and a minimum interval of 6 months between operating periods. The
department shall be notified at least five days in advance of such a
test. Compliance with this requirement can be achieved for those plants
which, through system need, must be operated at least once during the
annual cycle. If a company does achieve compliance in this manner, no
prior notice is required.

(c) Combustible storage. Provision shall be made for the safe storage
of test equipment associated with calorimeters or calorimixers, such as
standard natural gas cylinders or other combustibles, so that their
storage and maintenance effectively separates such flammables from
sources of ignition.

257.9 Operating and maintenance procedures.

(a) Each gas corporation shall develop operating and maintenance
procedures based on the provisions of this Part, its experience and its
knowledge of its facilities and conditions under which they are
operated. The procedures shall encompass operations, maintenance, and
safety procedures. The procedures must be reviewed and updated by each
gas corporation at intervals not exceeding 15 months, but at least once
each calendar year.

(b) Each gas corporation shall make available for inspection by the
department its written procedures for maintaining compliance with the
operations and maintenance safety provisions of this Part. Written
notification of revision to these written procedures shall be made to
the department at least 30 days prior to the effective date. Minor revisions that do not affect the intent of the procedure may be implemented immediately.

(c) Each gas corporation shall have current written operating and maintenance procedures available at the LPG facility.

(d) Each gas corporation shall satisfactorily conform with its procedures.

(e) Safety procedures shall be those involving the safety of the facility, employees and the general public. They shall specify equipment, piping, valves and other components to be inspected or tested, the time schedules of such inspections or tests, and the program to remedy deficiencies or failures uncovered.

(f) Written procedures shall, at a minimum include, as applicable, the following:

(1) fire protection system;
(2) operating signal devices;
(3) relief valve inspection with a provision that all servicing and replacement of Rego valves shall be done by a two-person team, with the second person responsible for verifying that each step is taken in the procedure being performed;
(4) structural inspection;
(5) corrosion control;
(6) functional inspection;
(7) pumps and compressors;
(8) valves and operators;
(9) standby electrical system inspection;
(10) communication equipment;
(11) housekeeping;
(12) leakage surveys;
(13) LPG transfer operations;
(14) regulator inspections for lockup; and
(15) calorimeter inspection.

(g) Procedures shall be developed to notify service personnel, emergency crews and other involved employees when LPG is being distributed. All such employees shall be trained in the properties of LPG or mixtures with other gases, the changes of the lower explosive limit and specific gravity and effects of such changes.

.SO DOC 16B-257.10                              NYCRR

257.10 Odorization of gas.

(a) Prior to the introduction of LPG, or such gas mixed with natural gas, synthetic natural gas (SNG), liquefied natural gas (LNG) or other gases into a transmission line or distribution main, the gas shall be odorized in conformance with section 255.625 of this Title. This odorization rate shall be adjusted as necessary to compensate for changes in the lower explosive limit of such mixtures.

.SO DOC 16B-257.11                              NYCRR

257.11 Emergencies.

(a) Emergency plans. Each gas corporation shall set up an emergency plan to be implemented in the event of facility failures or other emergencies, acquaint appropriate maintenance and operating employees with the applicable portions of the plan and establish liaison with appropriate public officials with respect to this plan. The plan shall be reviewed at intervals not exceeding 15 months, but at least once each calendar year, with all involved parties.
(b) Reports of accidents. Each gas corporation shall report all accidents where LPG facilities may be involved as a causal injury or death to any person, damage to property, or which would cause public concern because of coverage by news media. All such accidents shall be immediately reported by telephone to the department through its emergency notification system. The written account of the accident shall be submitted to the department within 30 days. This report shall set forth in a satisfactory manner the chronological sequence of events related to the accident including a detailed description of the:
(1) accident;
(2) response, action and investigation by the gas corporation; and
(3) results and findings of the gas corporation.
(c) Emergency lists. Each gas corporation shall file during January of each year with the department and the municipality within which its LPG facilities are located, the names, addresses, and telephone numbers of responsible officials of said gas corporation who may be contacted in the event of an emergency. In the event of any changes therein within the year, immediate notification thereof shall be given to the department and the municipality.
from any rule in this Part. Each application shall include a full and
comprensive justification for the requested waiver or deviation.

(d) Except where otherwise indicated, this Part is not applied
retroactively to existing installations insofar as design, fabrication,
installation, and testing are concerned. The provisions of this Part
are, however, applicable to existing facilities that are reconstructed,
relocated, or reactivated, or that are considered for an increase in
maximum operating pressure.

(e) This Part does not apply to:
(1) transportation of liquid petroleum through interstate pipelines
regulated under 49 CFR 195.
(2) liquid petroleum refining, handling, processing, transfer, or
storage facilities licensed under article 12 of the Navigation Law or
registered under 6 NYCRR Part 612 including pipelines, or portions
thereof, within the property boundaries of such facilities; and
(3) liquid petroleum production facilities.

258.2 Definitions. As used in this Part:

(a) Alarm means an audible or visible means of indicating to the
controller that equipment or processes are outside operator-defined,
safety-related parameters.
(b) Barrel means a unit of measure equal to 42 U.S. standard gallons.
(c) Department. For this Part, department shall mean the Department of
Public Service, Office of Electric, Gas and Water, Pipeline Safety
Section, or its successor, Three Empire State Plaza, Albany, NY
12223-1350, (518) 474-5453, SAFETY@DPS.NY.GOV.
(d) Hazardous liquid means petroleum, petroleum products, anhydrous
ammonia, or ethanol.
(e) Liquid petroleum means crude oil, natural gasoline, natural gas
liquids, liquefied petroleum gas, liquid petroleum products, and any
other such flammable liquids.
(f) Liquid petroleum pipeline corporation or corporation means any
individual, firm, joint venture, partnership, corporation, association,
municipality, cooperative association, or joint stock association owning
and operating one or more liquid petroleum pipelines in the State of New
York, and includes any trustee, receiver, assignee, or personal
representative thereof.
(g) Maximum operating pressure means the maximum pressure at which a
pipeline may be operated as determined in accordance with section 258.8
of this Part.
(h) Municipality means a city, county, village, or other political
subdivision of New York State.
(i) Pipeline means all parts of those physical facilities through
which liquid petroleum moves in transportation, including line pipe,
valves and other appurtenances connected to the line pipe, pumping
units, fabricated assemblies associated with pumping units, metering and
delivery stations and fabricated assemblies therein.
(j) Pipeline facility means new and existing pipe, rights-of-way, and
any equipment, facility, or building used in the transportation of
liquid petroleum.
(k) Production facility means all wells, flowlines, piping, separation
equipment, storage facilities, and auxiliary equipment used in the
extraction of liquid petroleum from the ground.
(l) Transportation of liquid petroleum means the gathering or delivery
of liquid petroleum by pipeline.

258.3 Compliance with standard code.

Except as otherwise provided in this Part, all liquid petroleum pipeline facilities within the State of New York shall be designed, constructed, tested, operated, and maintained, in accordance with Title 49, Code of Federal Regulations, Part 195, Transportation of Hazardous Liquids by Pipeline (as described in section 10.2 of this Title), herein referred to as 49 CFR 195 followed by a rule or section number. In addition, operators shall comply with Subpart G-Operator Qualifications, of 49 CFR 195.

258.4 Notification of proposed construction or pressure increase. (a) At least 30 days prior to the start of scheduled construction or reconstruction of any liquid petroleum pipeline, the corporation shall file with the Office of Gas and Water of the department in Albany, a letter of intent and a report of specifications as required under section 258.13 of this Part. The letter of intent need not include said specifications if the length of the pipeline is less than 500 feet. The Office of Gas and Water of the department in Albany shall be promptly notified in writing of any significant change affecting the initial filing.

(b) Before any liquid petroleum pipeline is placed in operation, a report shall be filed with the Office of Gas and Water of the department in Albany certifying the maximum operating pressure to which the pipeline is intended to be operated and also certifying that the pipeline has been constructed and tested in accordance with the rules prescribed herein.

(c) The maximum operating pressure of a liquid petroleum pipeline shall not be increased without the written permission of the Office of Gas and Water of the department in Albany. At least 90 days prior to a proposed increase in the maximum operating pressure of any liquid petroleum pipeline, an acceptable program stating the investigative, testing, and corrective measures (including cathodic protection, leak history, detection and repair of leaks, and specifications of pipe and other facilities) to be taken before the pressure increase is made, shall be submitted.

258.5 Minimum cover in commercial farmlands. Notwithstanding the requirements of 49 CFR 195.248(a) for cover over buried pipelines in cultivated areas, all pipe installed in areas actively cultivated for commercial farm purposes in at least two out of the last five years, as identified by the farmland operator, shall be installed with a minimum cover of 40 inches unless the farmland operator agrees to or requires a different depth.

258.6 Hydrostatic testing.

(a) Each new, reconstructed, relocated, replaced, or reactivated segment of pipeline must be hydrostatically tested in accordance with this section to substantiate the current or proposed maximum operating pressure. Any pipeline, or segment thereof, for which the maximum operating pressure is to be increased must also be tested in accordance with this section.

(b) Notwithstanding the requirements of 49 CFR 195.302(c), the minimum
test pressure at the lowest point of the test section shall be the lesser of:

1. 150 percent of the maximum operating pressure; or
2. the pressure that produces a pipe stress equivalent to 90 percent of the specified minimum yield strength of the pipe.

(c) Except as provided in subdivision (d) of this section, the test pressure must be maintained throughout the pipeline segment for at least 12 hours following stabilization.

(d) For a short segment of pipeline (100 feet or less) which is completely exposed and where its entire circumference may be readily examined visually for the detection of leaks, the test duration shall be at least four hours following stabilization and the test shall precede coating of the welds.

(e) A calibrated recording pressure gauge that indicates increments of five pounds per square inch or less shall be attached to the test section. The gauge must be calibrated at least hourly for the first and last two hours of the test. Calibration is against a deadweight tester attached to the test section.

(f) At least five business days prior to starting a test, the corporation shall notify the Office of Gas and Water of the department in Albany in writing. In order to maintain continuity of service during emergencies, shorter notice is permissible. The corporation shall also notify the officials of the municipalities wherein the test is to be conducted. Tests conducted under this section are not deemed satisfactory unless certified by an inspector of the Office of Gas and Water of the department.

.30 DOC 16B-258.7 NYCRR
258.7 Operations, maintenance, and emergency plan.
(a) Each liquid petroleum pipeline corporation subject to this Part shall establish and file with the Office of Gas and Water of the department in Albany a detailed written plan for conducting normal operations and maintenance, and for handling abnormal operations and emergencies. Revisions to these written procedures shall be submitted to the Office of Gas and Water of the department in Albany at least 30 days prior to the effective date thereof.

(b) The operations, maintenance, and emergency plan shall include, as a minimum, procedures covering all items specified under 49 CFR 195.402. Revisions to this list during the year shall be immediately reported to the Office of Gas and Water of the department in Albany and affected municipalities.

.30 DOC 16B-258.8 NYCRR
258.8 Maximum operating pressure. (a) Except for surge pressures and other variations from normal operations, the maximum operating pressure of any liquid petroleum pipeline shall not exceed any of the following:
1. the internal design pressure of the pipe as determined in accordance with 49 CFR 195.106;
(2) the design pressure of any component of the pipeline;
(3) the test pressure divided by 1.5 for a pipeline, or any part thereof, which has been tested in accordance with section 258.6(b) (1) of this Part;
(4) 80 percent of the test pressure for a pipeline, or any part thereof, which has been tested in accordance with section 258.6(b) (2) of this Part; or
(5) for a pipeline, or any part thereof, which has not been tested in accordance with section 258.6 of this Part, 80 percent of the highest operating pressure to which the pipeline was subjected for four or more continuous hours during the period October 1, 1986 through September 30, 1991, or any successive five-year period thereafter, that is documented by recording charts or records made at the time the operations were conducted.

(b) The pressure in a pipeline during surges or other variations from normal operations shall not exceed 110 percent of the maximum operating pressure established under subdivision (a) of this section. Each corporation must provide adequate controls and protective equipment to control the pressure within this limit.

258.9 Leak detection system. Each liquid petroleum pipeline shall have an acceptable automatic leak detection system capable of initiating an alarm at a location that is continuously monitored by personnel employed by the corporation and/or is capable of effecting automatic shutdown of the pipeline.

258.10 Preservation of records.
(a) Notwithstanding the requirements of Parts 292, 293, or Appendix 4-A of this Title, and 49 CFR 195.404(c), the minimum period of retention for records necessary to prove compliance with this Part shall be three years. Longer periods of retention may be mandated by Parts 292, 293, or Appendix 4-A of this Title.
(b) Records pertaining to each repair made to a pipeline shall be maintained for as long as the pipeline remains in service.
(c) All records, or copies thereof, shall be kept on file in the State of New York and accessible to the staff of the department.

258.11 Accident reports. (a) Each corporation shall report all accidents in which liquid petroleum pipeline facilities may be involved and which may result in any of the following:
(1) explosion or fire;
(2) death or injury to any person;
(3) property damage;
(4) loss of 25 or more barrels of liquid;
(5) escape of vaporized liquid to the atmosphere; or
(6) could cause concern because of coverage by news media.
(b) All such accidents shall be immediately reported by telephone to the department through its gas emergency notification system.
(c) A written report of each accident in which liquid petroleum pipeline facilities were involved shall be submitted to the Office of Gas and Water of the department in Albany within 30 days. The report shall set forth a chronological sequence of events including a detailed description of the:
(1) accident;
(2) response, action, and investigations by the corporation; and
(3) results and findings of the investigations.

258.12 Facility failure investigation. (a) Each corporation shall establish procedures to analyze each failure or accident for the purpose of determining its cause and to minimize the possibility of a recurrence. This shall include a procedure to select samples of the failed facility or equipment for laboratory examination when necessary.

(b) The procedures shall also provide for complete cooperation with the department's gas division in testing or surveying, including using independent consultants, any equipment or systems deemed necessary by the gas division for the investigation and analysis of any failure or accident to determine its cause and to minimize the possibility of a recurrence.

258.13 Report of specifications for proposed construction.

(a) The following maps, sketches, and drawings shall be filed with and as a part of the report of specifications:

1. three sets of current U.S. Geological Survey Maps (7-1/2 or 15 minute) clearly indicating the entire route of the proposed construction or reconstruction and an area of one mile on either side of the route; and
2. three sets of strip maps and design drawings showing details of the proposed construction or reconstruction.

(b) A report of specifications identical in format with subdivision (c) of this section shall be submitted in triplicate. Where additional space is necessary, supply the requested information on attached sheets.

(c) STATE OF NEW YORK
DEPARTMENT OF PUBLIC SERVICE
REPORT OF SPECIFICATIONS FOR PROPOSED CONSTRUCTION
LIQUID PETROLEUM PIPELINE FACILITIES

General Information
1. Corporation name _______________________ Date _____________________
2. Pipeline route:
   From ______________________________________________________________
   To ________________________________________________________________
3. Length ____________________________________________________________
4. New construction or reconstruction ________________________________
5. Counties traversed ________________________________________________
6. Towns traversed ___________________________________________________
7. Cities traversed __________________________________________________
8. Villages traversed ________________________________________________
9. Estimated starting date ___________________________________________
10. Estimated completion date _________________________________________
11. Pipeline identification name or number ____________________________

Pipe Specifications
1. Nominal outside diameter, D (inches) ______________________________
2. Nominal wall thickness, t (inches) ________________________________
3. Type and/or grade of pipe _________________________________________
4. Manufacturer of steel _____________________________________________
5. Manufacturer of pipe_______________________________________________
6. Longitudinal joint type ___________________________________________
7. Specified minimum yield strength, SMYS (psi) ______________________
<table>
<thead>
<tr>
<th>Number</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>8.</td>
<td>Nominal ultimate strength (psi) ____________________________</td>
</tr>
<tr>
<td>9.</td>
<td>Fracture toughness (minimum Charpy Energy in ft. lbs. at 20µF for buried pipe, -20µF for exposed pipe) ____________________________</td>
</tr>
<tr>
<td>10.</td>
<td>Mill test pressure (psi) ____________________________</td>
</tr>
<tr>
<td>11.</td>
<td>Is pipe new or used ________________________________________</td>
</tr>
<tr>
<td>12.</td>
<td>If used pipe is employed, describe inspection and reconditioning procedures ____________________________________________</td>
</tr>
<tr>
<td>13.</td>
<td>Are the physical and chemical specifications of pipe to be verified by outside laboratories? If yes, by whom? ____________________________</td>
</tr>
</tbody>
</table>

### Operating Pressure and Stress

<table>
<thead>
<tr>
<th>Number</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Maximum operating pressure, P (psi) ____________________________</td>
</tr>
<tr>
<td>2.</td>
<td>Calculated pipe stress (hoop stress) = PD/2t (psi) ________________</td>
</tr>
<tr>
<td>3.</td>
<td>Ratio of pipe stress to SMYS (percent) ____________________________</td>
</tr>
</tbody>
</table>

### Welding

<table>
<thead>
<tr>
<th>Number</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Percentage of welds to be radiographed, by location ____________</td>
</tr>
<tr>
<td>2.</td>
<td>How will the corporation certify the radiographic technician ______</td>
</tr>
</tbody>
</table>

### Railroad, Road, and Water Crossings

1. Railroad and road crossings:
   - Attach a list giving the location of each and indicating whether each is cased or uncased (if uncased, provide reason), and if heavier wall carrier pipe is used.
2. Lake, river, stream, or creek crossings:
   - Attach a list giving the location of each and describing any special construction precautions to be followed.
3. Pipeline encroachments:
   - Attach a list of any encroachments to railroads or roads, by location, and describe any special construction precautions to be followed.

### Valves (see 49 CFR 195 Subpart H - Corrosion Control)

1. Number and spacing of manual sectionalizing valves ________________
2. Type, make, and location of any automatic valves to be used ______

### Minimum Cover and Clearance (see 49 CFR 195.245, 250)

If the minimum prescribed cover and/or clearance cannot be maintained, indicate the location, nature of problem, cover and/or clearance to be maintained, and any special precautions to be observed.

### Corrosion Control (see 49 CFR 195 Subpart H - Corrosion Control)

<table>
<thead>
<tr>
<th>Number</th>
<th>Description</th>
</tr>
</thead>
</table>
| 1.     | Type of field coating:  
   - For pipe (if not factory coated) ____________________________  
   - For welds and fittings ____________________________ |
| 2.     | Type of coating test:  
   - Before backfill ____________________________  
   - After backfill ____________________________ |
| 3.     | Type of cathodic protection system ____________________________ |

### Pressure and Leakage Tests (see section 258.6 of this Part)

<table>
<thead>
<tr>
<th>Number</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Test pressure ____________________________</td>
</tr>
<tr>
<td>2.</td>
<td>Test medium ____________________________</td>
</tr>
<tr>
<td>3.</td>
<td>Test duration ____________________________</td>
</tr>
<tr>
<td>4.</td>
<td>Length of test section(s) ____________________________</td>
</tr>
</tbody>
</table>

### Right-of-Way
1. Has necessary right-of-way been obtained from each party having interest in the right-of-way? If not, what is the status?
2. Have formal approval and all necessary permits been obtained from governmental agencies? If not, what is the status?

Products Transported
Pipeline certified to transport the following liquid petroleum products:
1. ___________________________________________________________________
2. ___________________________________________________________________
3. ___________________________________________________________________
4. ___________________________________________________________________
5. ___________________________________________________________________

________________________________________________
Signature of corporation officer

________________________________________________
Title

.SO DOC 16B-PT259

PART 259
LIQUEFIED NATURAL GAS
(Statutory authority: Public Service Law, § 66)

Sec.
259.1 Scope
259.2 Compliance with standard code
259.3 Notification of proposed construction
259.4 Procedures
259.5 Reports of accidents or leaks
259.6 Internal shutoff valves

.SO DOC 16B-259.1
Section 259.1 Scope.
(a) This Part prescribes minimum safety standards for all LNG facilities within the State of New York, except those facilities subject to the jurisdiction of the Federal Energy Regulatory Commission, or otherwise exempted under 49 CFR 193.2001(b).
(b) As sued in this Part department shall mean the Department of Public Service, Office of Electric, Gas and Water, Pipeline Safety Section, or its successor, Three Empire State Plaza, Albany, NY 12223-1350, (518) 474-5453, Safety@dps.ny.gov.

.SO DOC 16B-259.2
259.2 Compliance with standard code.
All LNG facilities within the State of New York shall, except as otherwise provided in this Part, conform to title 49, Code of Federal Regulations, part 193, Liquefied Natural Gas Facilities; Federal Safety Standards (as described in Section 10.2 of the Title).

.SO DOC 16B-259.3
259.3 Notification of proposed construction.
(a) Initial report. At least 90 days prior to the start of construction or reconstruction of any LNG facility, each gas corporation shall file with the Office of Gas and Water of the Department of Public Service, a letter of intent, together with the design data and the specifications for the proposed facility. The department shall also be promptly notified of any significant change affecting the initial filing, which may occur after submission of the initial filing.
(b) Final report. Before any LNG facility is placed in operation, a report shall be filed with the department certifying that the facility has been constructed and tested in accordance with the requirements of
this Part. A summary of the results of all tests shall accompany the
final report.

259.4 Procedures.
Each gas corporation shall file with the Office of Gas and Water of
the Department of Public Service its written procedures established in
compliance with 49 CFR parts 193.2503, 2509, 2513 and 2605. Revisions to
these written procedures shall also be submitted to the Office of Gas
and Water.

259.5 Reports of accidents or leaks.
(a) Each gas corporation shall report all accidents that may involve
LNG facilities as a causal factor that involves injury or death to any
person, any damage to the property of others, significant damage to
plant property, or would cause public concern if reported by the
communications media. All such accidents shall be immediately reported
by telephone to the department through its gas emergency notification
system. A written report of the accident shall be submitted to the
department within 30 days. This report shall detail, in chronological
sequence, all events related to the accident, including a description of
the accident itself, the cause, and the type of response by the gas
corporation to the accident as well as all proposed remedial action to
be taken to prevent recurrence.

(b) Each corporation shall immediately report all unplanned spills or
leaks that:
(1) require taking any segment of pipeline or process area out of
service;
(2) result in ignition injury or death;
(3) cause failure of a structural support; or
(4) in the judgment of the operator, could cause public concern
because of coverage by the news media.

(c) Each gas corporation shall file with the department and the
municipality within which its LNG facilities are located, the names,
addresses, and telephone numbers of responsible corporate officials who
may be contacted in the event of an emergency. Said filing is required
by January 31st of each year. In the event of any changes during the
year, immediate notification shall be given to the department and the
effected municipality.

259.6 Internal shutoff valves.
Notwithstanding section 259.1 of this Part, any LNG tank temporarily
taken out of service and purged to atmosphere shall be fitted with an
internal shutoff valve meeting the requirements of NFPA 59A Section
6.3.3.3 (as described in Section 10.3 of this Title) prior to being put
back into service.

PART 261
PIPING BEYOND THE METER
(Statutory authority: Public Service Law, ðð 4, 65, 66)
OPERATION AND MAINTENANCE
261.15 Operation and maintenance plan
261.16 (Reserved)
261.17 Leakage survey
261.18 (Reserved)
261.19 High-pressure piping
CARBON MONOXIDE
261.21 Carbon monoxide prevention
WARNING TAGS
261.51 Warning tag procedures
261.52 (Reserved)
261.53 HEFPA liaison
261.54 (Reserved)
261.55 Warning tag inspection
261.56 (Reserved)
261.57 Warning tag: Class A condition
261.58 (Reserved)
261.59 Warning tag: Class B condition
261.60 (Reserved)
261.61 Warning tag: Class C condition
261.62 (Reserved)
261.63 Warning tag: action and follow-up
261.64 (Reserved)
261.65 Warning tag records

Section 261.1 Scope.
This Part prescribes certain safety requirements related to the operation and maintenance of gas appliances and gas piping located beyond the outlet of the customer's meter set assembly. Unless specified herein, this Part does not apply to the design, fabrication, nor installation of piping and appliances beyond the outlet of the customer's meter set assembly (refer to the National Fuel Gas Code NFPA 54, as described in section 10.3 of this Title).

261.3 Definitions.
(a) As used in this Part:
(1) Apartment building means a building, either rented, leased, let or hired out, or containing separately owned condominium or cooperative apartment units, to be occupied or is occupied as the residence of three or more families living independently of each other.
(2) Operator means a person who engages in the transportation of gas.
(3) Person means any individual, firm, joint venture, partnership, corporation, association, State, municipality, cooperative association, or joint stock association, and including any trustee, receiver, assignee, or personal representative thereof.
(4) Transportation of gas means the transmission or distribution of gas by pipeline or the storage of gas.

261.15 Operation and maintenance plan.
(a) Each operator shall establish and file with the Albany office of the Gas Division of the New York State Department of Public Service a detailed written operating and maintenance plan for complying with all the provisions of this Part. This operating and maintenance plan shall include, as a minimum, procedures required to comply with the provisions...
of the leakage survey, carbon monoxide, and warning tag sections of this Part.

(b) Revisions to these written procedures shall be submitted to the Gas Division at least 30 days prior to the effective date thereof.

(c) The procedures shall include but not be limited to the requirements of this Part and shall be designed to make customers aware of hazardous conditions relating to their gas appliances and piping installations.

.SO DOC 16B-261.17                               NYCRR
261.17 Leakage survey. (a) Whenever the operator performs a leakage survey, as required by section 255.706 or 255.723 of this Title, said survey is to include all known underground gas piping beyond the outlet of the customer's meter, excluding customer piping in industrial complexes.

(b) A building used exclusively for metering and/or regulating gas is not considered the customer's building for purposes of compliance with this requirement.

(c) In the case of nonresidential customers, the customer may accept responsibility for the required leakage survey; however, the operator must maintain appropriate records and verify that the leakage survey was completed.

.SO DOC 16B-261.19                               NYCRR
261.19 High-pressure piping. As part of the procedures developed in compliance with section 261.15 of this Part, the operator's plan must provide for annual notification to the customer and owner that:

(a) they receive gas in excess of 14 inches water column;

(b) their piping system, including pressure reducing equipment, must meet the requirements of NFPA 54;

(c) they must contact the operator for a safety review whenever a change in piping or appliances is planned; and

(d) an inspection of their regulators by qualified individuals should be conducted.

.SO DOC 16B-261.21                               NYCRR
261.21 Carbon monoxide prevention.

(a) When an operator has access to a residential premises for the purpose of responding to a complaint of a gas leak or odor, all operating vent-connected gas utilization equipment that are in the on-cycle shall be checked for flue spillage or possible malfunction, even if the inquiry into the cause of the visit has been satisfied.

(b) This check shall be made in accordance with paragraph 8.6 of the National Fuel Gas Code NFPA 54 (as described in section 10.3 of this Title).

(c) The operator shall check draft hoods for indications of improper flue draft; and, if this check fails, the operator shall treat it as a Class A condition under section 261.57(b)(3) of this Part.

(d) The operator is also to conduct a visual inspection of the service regulator vent if working in the vicinity of the regulator and it is accessible.

(e) Notwithstanding the provisions of subdivision (a) of this section, the operator need only attempt to check vent-connected appliances located in the basement or utility room in multifamily dwellings once in the 12-month period beginning October 1st each year.

(1) If the operator finds the basement or utility room locked, he must attempt to locate the superintendent in order to gain access.
(2) If access cannot be gained, the operator must document that no check was made for this reason.
(3) If another leak or odor complaint is investigated at the same location in the same 12-month period, the operator must again attempt to gain access.
(4) Notwithstanding paragraphs (1) and (2) of this subdivision, if there is reason to suspect that a gas leak or CO condition exists in an inaccessible area, the operator must call the police or fire department for assistance to gain access.
(f) Except as required under paragraph (e)(4) of this section, an operator need not comply with the preceding subdivisions of this section for residences covered by a municipal regulation requiring an annual inspection of heating equipment, including a check for flue spillage, so long as the Gas Division is provided with sufficient evidence that the municipality has an effective program to ensure compliance with its regulations.
(g) If the operator is satisfied that the cause of the customer's complaint is not a natural gas leak or a condition related to gas use, such as CO or flue spillage, he shall nevertheless attempt to identify the odor which prompted the customer complaint.
(h) When an operator lights or relights a vent-connected gas utilization appliance or responds to a complaint of a suspected CO condition, the appliance shall be checked for flue spillage or possible malfunction in accordance with paragraph 8.6 of the National Fuel Gas Code NFPA 54 (as described in section 10.3 of this Title).

SO DOC 16B-261.51
261.51 Warning tag procedures.
(a) Each operator shall file and maintain warning tag procedures with the Gas Division of the New York State Department of Public Service.
(b) The procedures shall include but not be limited to the requirements of this Part and be designed to make customers aware of hazardous conditions relating to their gas appliances and piping installations.
(c) The procedures shall specify categories of employees who will be deemed to possess the training, knowledge and experience necessary to recognize hazardous conditions that warrant the issuance of a warning tag.

SO DOC 16B-261.53
261.53 HEFPA liaison. Whenever the disconnection results in a customer being unable to use the heating facilities, the operator shall notify its Home Energy Fair Practices Act (HEFPA) liaison with local social services departments (section 11.5(c)(2)(v) of this Title).

SO DOC 16B-261.55
261.55 Warning tag inspection. (a) Whenever an operator recognizes a condition whereby a gas appliance or gas line may cause a hazard to life or property, if allowed to operate in its current condition, the employee shall attach a warning tag to the appliance, piping or meter.
(b) The warning tag shall state the Class of the hazardous condition, the actions to be taken by the customer and shall recommend that the customer contact the company for a reinspection.
(c) The operator is not required to conduct a complete inspection of the entire installation every time it is on a customer's premises.
(d) The operator is to conduct a visual inspection of the service regulator vent when working in the vicinity of the regulator and it is
261.57 Warning tag: Class A condition.
(a) A Class A condition presents an immediate hazard requiring the operator to shut off the gas and lock the meter, unless the operator can effectively isolate the affected area from the rest of the system.
(b) Class A conditions include, but are not limited to:
   (1) any leaking gas piping inside the building which cannot be stopped by temporary or permanent repair means;
   (2) any space or water heating appliance that is not properly venting and is discharging carbon monoxide;
   (3) any venting system, used to convey flue gases, that is defective, obstructed or inoperable; and
   (4) heat exchangers which are corroded or cracked beyond repair or blocked and which cause products of combustion to enter the warm air distribution system.

261.59 Warning tag: Class B condition. (a) A Class B condition presents an immediate hazard requiring the operator to shut off the gas but not to lock the meter.
(b) If an extreme hardship would result (imminent danger to health and property) by shutting off the gas and the operator can render the condition temporarily safe, the gas may remain on for Class B conditions other than the one described in paragraph (c) (1) of this section.
(c) If the operator leaves the gas on and is not notified within five calendar days that repairs have been made, it shall conduct a reinspection and shall shut off the gas if the hazardous condition has not been permanently repaired.
(c) Class B conditions include, but are not limited to:
   (1) any leaking gas appliance inside the building which cannot be stopped by temporary or permanent repair means;
   (2) any gas appliance with a missing or inoperative required safety device;
   (3) defective or improper wiring which may cause an unsafe condition on a gas appliance;
   (4) any space heater or water heater with an inoperative thermostat;
   (5) open flame burners too close to combustibles; and
   (6) any unit other than a heating or hot water appliance having visual indications of improper combustion.

261.61 Warning tag: Class C condition.
(a) A Class C condition does not present an immediate hazard, but if not corrected, may become hazardous. The operator may leave the gas on.
(b) Class C conditions include, but are not limited to:
   (1) any gas pipe or appliance which was leaking and has been temporarily repaired;
   (2) situations where the clearance between combustibles and appliances or vent connectors are less than required but no immediate fire hazard exists;
   (3) any gas piping or appliance connection identified as improper or inappropriate;
   (4) vent connectors that have a rusty condition, no draft diverter where required, reduced size or are incorrectly installed but drawing satisfactorily;
(5) improperly installed appliances such as those identified in the National Fuel Gas Code -- NFPA 54 (as described in section 10.3 of this Title); and

(6) any properly vented appliance developing excessive carbon monoxide.

(c) For vented room heaters, excessive carbon monoxide shall be defined as 0.02 percent CO in an air-free sample of the flue gases when tested in an area having a normal oxygen supply.

(d) For all other vented appliances, excessive carbon monoxide shall be defined as 0.04 percent CO in an air-free sample of the flue gases when tested in an area having a normal oxygen supply.

. SO DOC 16B-261.63

261.63 Warning tag: action and follow-up. (a) When a Class A condition is discovered, the operator shall lock off the gas supply at the meter, unless the affected piping or gas-fired appliance can be effectively isolated and secured from the rest of the system, and issue a warning tag.

(1) If the operator is not advised by the customer within 10 calendar days that the condition has been corrected and service is ready to be reinstated, the operator shall contact the customer no later than the end of the first business day after the 10-day period to determine the status of service.

(b) When a Class B condition is discovered, the operator shall, unless an extreme hardship would result, shut off the gas supply at the appliance and issue a warning tag.

(c) When a Class C condition is discovered, the operator shall issue a warning tag; gas service may be left on.

(d) Whenever a warning tag is issued, regardless of the class of the condition, the operator shall attempt to notify the customer and obtain a signature acknowledging receipt of such notice.

(1) In apartment buildings, the operator shall notify the property owner or agent (such as superintendent, custodian or maintenance worker) of the condition and state the corrections that are required.

(2) If the operator cannot obtain a signature, an additional notice shall be provided to the customer stating that a notice of hazardous condition tag has been issued and the corrective actions that are required.

(e) In the case of Class A conditions in New York City, the operator shall provide a written notification, including the address, date the warning tag was issued and a description of the hazardous condition, to the New York City Department of Buildings.

(f) In the case of Class A or B conditions in apartment buildings, the operator shall post a notice in a conspicuous place at or within the dwelling stating that a warning tag has been issued and including a description of the condition.

(g) The operator shall remove the warning tag when gas service is restored, or a requested inspection is made and the operator determines that the condition has been corrected.

(h) Whenever a Class C condition described in section 261.61(b)(6) of this Part is found between August 1st and January 31st of the same heating season, the operator shall conduct a reinspection within three months. If the condition is found between February 1st and July 31st of the same year, the inspection is to be conducted prior to the start of the next heating season.
261.65 Warning tag records. (a) The operator shall maintain warning tag records which, as a minimum, shall indicate that the operator issued a warning tag, whether or not a signature was obtained, and the actions taken regarding the supply of gas to the faulty appliance or piping. The records shall also include the date of issuance, the nature of the hazardous condition, the signature and/or name of the person notified.

(b) In the case of all Class A conditions, and Class B and C conditions where reinspection was requested, the records shall also include any follow-up actions taken, the date and results of any reinspections and the date when the warning tag was removed.

PART 262
DRUG AND ALCOHOL TESTING
(Statutory authority: Public Service Law, ð§ 65(1), 66(2))

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262.1 Scope.
(a) This part requires operators of pipeline facilities subject to part 192, 193 or 195 of Title 49 of the Code of Federal Regulations (49 CFR) to test employees for the presence of prohibited drugs and provide an employee assistance program.
(b) A description of Parts 40, 190, 192, 193, 195 or 199 of Title 49 of the Code of Federal Regulations (49 CFR), as referenced in this Part, may be found in Section 10.2 of this Title.

262.2 Applicability.
(a) This Part applies to pipeline operators, only with respect to pipeline employees located within the territory of the United States.
(b) This Part does not apply to any person for whom compliance with this Part would violate the domestic laws or policies of another country.
(c) This Part does not apply to covered functions performed on:
   (1) "Master meter systems" defined in section 262.3 of this Part, or
   (2) Pipelines that transport only petroleum gas or petroleum gas/air mixtures.

262.3 Definitions.
As used in this Part:
(a) Accident means an incident reportable under 49 CFR Part 191 (as described in section 10.2 of this Title) involving gas pipeline facilities or LNG facilities, or an accident reportable under 49 CFR Part 195 (as described in section 10.2 of this Title) involving hazardous liquid or carbon dioxide pipeline facilities.
(b) Administrator means the Administrator of the Research and Special Programs Administration (RSPA) of the Federal Department of Transportation (DOT), or his or her delegate.
(c) Covered employee, employee, or individual to be tested means a person who performs a covered function, including persons employed by the operator, contractors engaged by the operator, and persons employed by such contractors.
(d) Covered function means an operation, maintenance, or emergency-response function that is performed on a pipeline or LNG facility and the function is regulated by 49 CFR part 192, 193, or 195.
(e) Department means New York State Department of Public Service as certified under the pipeline safety laws (49 U.S.C. 60101 et seq.).
(f) DOT procedures means the Procedures for Transportation Workplace Drug Testing Programs published by the Office of the Secretary of Transportation of the United States in 49 CFR Part 40 (as described in section 10.2 of this Title).
(g) Fail a drug test means that the confirmation test result shows positive evidence of the presence under DOT procedures of a prohibited drug in an employee's system.
(h) Master meter system means an underground/buried pipeline system for distributing gas within, but not limited to, a definable area, such as a mobile home park, housing project, or apartment complex, where the operator purchases metered gas from an outside source for resale through...
an underground/buried gas distribution pipeline system. The gas distribution pipeline system supplies the ultimate consumer who either purchases the gas directly through a meter or by other means such as by rents.

(i) Operator means a person who owns or operates pipeline facilities subject to 49 CFR Part 192, 193 or 195 (as described in section 10.2 of this Title).

(j) Pass a drug test means that initial testing or confirmation testing under DOT Procedures does not show evidence of the presence of a prohibited drug in a person's system.

(k) Performs a covered function includes actually performing, ready to perform or immediately available to perform a covered function.

(l) Positive rate means the number of positive results for random drug tests conducted under this Part plus the number of refusals of random tests required by this Part, divided by the total number of random drug tests conducted under this Part plus the number of refusals of random tests required by this Part.


(n) Refused to submit, refuse, or refuse to take means behavior consistent with DOT Procedures concerning refusal to take a drug test or refusal to take an alcohol test.

(o) RSPA means the Research and Special Programs Administration of the federal Department of Transportation.

262.5 DOT procedures. The anti-drug and alcohol programs required by this Part must be conducted according to the requirements of this Part and the DOT procedures. Terms and concepts used in this Part have the same meaning as in the DOT procedures. Violations of DOT procedures with respect to anti-drug and alcohol programs required by this Part are violations of this Part.

262.7 Stand-down waivers.

(a) Each operator who seeks a waiver under 49 CFR 40.21 from the stand-down restriction must submit an application for waiver in duplicate to the Office of Gas and Water of the Department of Public Service.

(b) Each application must:

(1) identify section 40.21 of 49 CFR as the rule from which the waiver is sought;

(2) explain why the waiver is requested and describe the employees to be covered by the waiver; and

(3) contain the information required by 49 CRF 40.21 and any other information or arguments available to support the waiver requested.

262.23 Recordkeeping.

(a) Each operator shall keep the following records for the periods specified and permit access to the records as provided by subdivision (b) of this section:

(1) Records that demonstrate the collection process conforms to this Part must be kept for at least three years.

(2) Records of employee drug test results that show employees who had
a positive test, and the type of test failed (e.g., post-accident), and records that demonstrate rehabilitation, if any, must be kept for at least five years, and include the following information:

(i) the functions performed by employees who failed a drug test;
(ii) the prohibited drugs which were used by employees who failed a drug test;
(iii) the disposition of employees who failed a drug test (e.g., termination, rehabilitation, leave without pay).

(3) Records of employee drug test results that show employee passed a drug test must be kept for at least one year.

(4) A record of the number of employees tested, by type of test (e.g., post-accident), must be kept for at least five years.

(5) Records confirming that supervisors and employees have been trained as required by this Part must be kept for at least three years.

(b) Information regarding an individual's drug testing results or rehabilitation may be released only upon the written consent of the individual, except that such information must be released regardless of consent to the administrator or the representative of the Department upon request as part of an accident investigation. Statistical data related to drug testing and rehabilitation that is not name-specific and training records must be made available to the administrator or the representative of the Department upon request.

(c) The laboratory shall release information related to a positive drug test of an individual to the individual, the employer, or the decisionmaker in a lawsuit, grievance, or other proceeding initiated by or on behalf of the individual and arising from a certified positive drug test.

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.**SO DOC 16B-262.100**

262.100 Purpose.

The purpose of these Drug Testing rules is to establish programs designed to help prevent accidents and injuries resulting from the use of prohibited drugs by employees who perform covered functions for operators of certain pipeline facilities subject to 49 CFR Part 192, 193, or 195.

**.SO DOC 16B-262.101**

262.101 Anti-drug plan.

(a) Each operator shall maintain and follow a written anti-drug plan that conforms to the requirements of this Part and the DOT procedures. The plan must contain:

(1) methods and procedures for compliance with all the requirements of this Part, including the employee assistance program;

(2) the name and address of each laboratory that analyzes the specimens collected for drug testing;

(3) the name and address of the operator's medical review officer and Substance Abuse Professional; and

(4) procedures for notifying employees of the coverage and provisions of the plan.

(b) The administrator or Department may, after notice and opportunity for hearing as provided in 49 CFR 190.206, require the operator to amend its plans and procedures as necessary to provide a reasonable level of safety.

**.SO DOC 16B-262.103**

262.103 Use of persons who fail or refuse a drug test.

(a) An operator may not knowingly use as an employee any person who:
(1) fails a drug test required by this Part and the medical review officer makes a determination under 262.15(d)(2); or  
(2) refuses to take a drug test required by this Part.  
(b) Paragraph (a)(1) of this section does not apply to a person who has:  
(1) passed a drug test under DOT procedures;  
(2) been recommended by the medical review officer for return to duty in accordance with DOT procedures and have been determined by a substance abuse professional to have successfully completed required education or treatment; and  
(3) not failed a drug test required by this Part after returning to duty.  

262.105 Drug tests required. Each operator shall conduct the following drug tests for the presence of a prohibited drug:  

(a) Pre-employment testing. No operator may hire or contract for the use of any person as an employee unless that person passes a drug test or is covered by an anti-drug program that conforms to the requirements of this Part.  

(b) Post-accident test. As soon as possible but no later than 32 hours after an accident, an operator shall drug test each employee whose performance either contributed to the accident or cannot be completely discounted as a contributing factor to the accident. An operator may decide not to test under this paragraph but such a decision must be based on the best information available immediately after the accident that the employee's performance could not have contributed to the accident or that, because of the time between that performance and the accident, it is not likely that a drug test would reveal whether the performance was affected by drug use.  

(c) Random testing.  
(1) Except as provided in paragraphs (c)(2) through (4) of this section, the minimum annual percentage rate for random drug testing shall be 50 percent of covered employees.  
(2) The Administrator's decision to increase or decrease the minimum annual percentage rate for random drug testing is based on the reported positive rate for the entire industry. All information used for this determination is drawn from the drug Management Information System (MIS) reports required by Part 199 of Title 49 of the Code of Federal Regulations (49 CFR). In order to ensure reliability of the data, the Administrator considers the quality and completeness of the reported data, may obtain additional information or reports from operators, and may make appropriate modifications in calculating the industry positive rate. Each year, the Administrator will publish in the Federal Register the minimum annual percentage rate for random drug testing of covered employees. The new minimum annual percentage rate for random drug testing will be applicable starting January 1 of the calendar year following publication.  
(3) When the minimum annual percentage rate for random drug testing is 50 percent, the Administrator may lower this rate to 25 percent of all covered employees if the Administrator determines that the data received under the reporting requirements of 199.119 of Title 49 of the Code of Federal Regulations (49 CFR) for two consecutive calendar years indicate that the reported positive rate is less than 1.0 percent.  
(4) When the minimum annual percentage rate for random drug testing is
25 percent, and the data received under the reporting requirements of Section 199.119 of Title 49 of the Code of Federal Regulations (49 CFR) for any calendar year indicate that the reported positive rate is equal to or greater than 1.0 percent, the Administrator will increase the minimum annual percentage rate for random drug testing to 50 percent of all covered employees.

(5) The selection of employees for random drug testing shall be made by a scientifically valid method, such as a random number table or a computer-based random number generator that is matched with employees' Social Security numbers, payroll identification numbers, or other comparable identifying numbers. Under the selection process used, each covered employee shall have an equal chance of being tested each time selections are made.

(6) The operator shall randomly select a sufficient number of covered employees for testing during each calendar year to equal an annual rate not less than the minimum annual percentage rate for random drug testing determined by the Administrator. If the operator conducts random drug testing through a consortium, the number of employees to be tested may be calculated for each individual operator or may be based on the total number of covered employees covered by the consortium who are subject to random drug testing at the same minimum annual percentage rate under this part or any DOT drug testing rule.

(7) Each operator shall ensure that random drug tests conducted under this part are unannounced and that the dates for administering random tests are spread reasonably throughout the calendar year.

(8) If a given covered employee is subject to random drug testing under the drug testing rules of more than one DOT agency for the same operator, the employee shall be subject to random drug testing at the percentage rate established for the calendar year by the DOT agency regulating more than 50 percent of the employee's function.

(9) If an operator is required to conduct random drug testing under the drug testing rules of more than one DOT agency, the operator may:

(i) Establish separate pools for random selection, with each pool containing the covered employees who are subject to testing at the same required rate; or

(ii) Randomly select such employees for testing at the highest percentage rate established for the calendar year by any DOT agency to which the operator is subject.

(d) Testing based on reasonable cause. Each operator shall drug test each employee when there is reasonable cause to believe the employee is using a prohibited drug. The decision to test must be based on a reasonable and articulable belief that the employee is using a prohibited drug on the basis of specific, contemporaneous physical, behavioral, or performance indicators of probable drug use. At least two of the employee's supervisors, one of whom is trained in detection of the possible symptoms of drug use, shall substantiate and concur in the decision to test an employee. The concurrence between the two supervisors may be by telephone. However, in the case of operators with 50 or fewer employees subject to testing under this Part, only one supervisor of the employee trained in detecting possible drug use symptoms shall substantiate the decision to test.

(e) Return to Duty Testing. A covered employee who refuses to take or has a positive drug test may not return to duty in the covered function until the covered employee has complied with applicable provisions of
DOT Procedures concerning substance abuse professionals and return-to-duty process.

(f) Follow-up Testing. A covered employee who refuses to take or has a positive drug test shall be subject to unannounced follow-up drug tests administered by the operator following the covered employee's return to duty. The number and frequency of such follow-up testing shall be determined by a substance abuse professional, but shall consist of at least six tests in the first 12 months following the covered employee's return to duty. In addition, follow-up testing may include testing for alcohol as directed by the substance abuse professional, to be performed in accordance with 49 CFR Part 40. Follow-up testing shall not exceed 60 months from the date of the covered employee's return to duty. The substance abuse professional may terminate the requirement for follow-up testing at any time after the first six tests have been administered, if the substance abuse professional determines that such testing is no longer necessary.

262.107 Drug testing laboratory.

(a) Each operator shall use for the drug testing required by this Part only drug testing laboratories certified by the U.S. Department of Health and Human Services under the DOT procedures.

(b) The drug testing laboratory must permit:

(1) inspections by the operator before the laboratory is awarded a testing contract; and

(2) unannounced inspections, including examination of records, at any time, by the operator, the Administrator, and a representative of the Department.

262.109 Review of drug testing results.

(a) MRO appointment. Each operator shall designate or appoint a medical review officer (MRO). If an operator does not have a qualified individual on staff to serve as MRO, the operator may contract for the provision of MRO services as part of its anti-drug program.

(b) MRO qualifications. The MRO must be a licensed physician who has the qualifications required by DOT Procedures.

(c) MRO duties. The MRO must perform functions for the operator as required by DOT Procedures.

(d) MRO reports. The MRO must report all drug test results to the operator in accordance with DOT Procedures.

(e) Evaluation and rehabilitation may be provided by the operator, by a substance abuse professional under contract with the operator, or by a substance abuse professional not affiliated with the operator. The choice of substance abuse professional and assignment of costs shall be made in accordance with the operator/employee agreements and operator/employee policies.

(f) The operator shall ensure that a substance abuse professional, who determines that a covered employee requires assistance in resolving problems with drug abuse, does not refer the covered employee to the substance abuse professional's private practice or to a person or organization from which the substance abuse professional receives remuneration or in which the substance abuse professional has a financial interest. This paragraph does not prohibit a substance abuse professional from referring a covered employee for assistance provided through:
(1) a public agency, such as a State, county, or municipality;
(2) the operator or a person under contract to provide treatment for
drug problems on behalf of the operator;
(3) the sole source of therapeutically appropriate treatment under the
employee's health insurance program; or
(4) the sole source of therapeutically appropriate treatment
reasonably accessible to the employee.

SO DOC 16B-262.111 NYCRR 262.111 Retention of samples and additional testing.
(a) Samples that yield positive results on confirmation must be
retained by the laboratory in properly secured, long term, frozen
storage for at least 365 days as required by the DOT Procedures. Within
this 365 day period, the employee or his representative, the operator,
the Administrator, or the department may request that the laboratory
retain the sample for an additional period. If, within the 365-day
period, the laboratory has not received a proper written request to
retain the sample for a further reasonable period specified in the
request, the sample may be discarded following the end of the 365-day
period.
(b) If the medical review officer (MRO) determines there is no
legitimate medical explanation for a confirmed positive test result
other than the unauthorized use of a prohibited drug, and if timely
additional testing is requested by the employee according to DOT
Procedures, the split specimen must be tested. The employee may specify
retesting by the original laboratory or by a second laboratory that is
certified by the Department of Health and Human Services. The operator
may require the employee to pay in advance the cost of shipment (if any)
and reanalysis of the sample, but the employee must be reimbursed for
such expense if the additional test is negative.
(c) If the employee specifies testing by a second laboratory, the
original laboratory must follow approved chain of custody procedures in
transferring a portion of the sample.
(d) Since some analytes may deteriorate during storage, detected
levels of the drug below the detection limits established in the DOT
procedures, but equal to or greater than the established sensitivity of
the assay, must, as technically appropriate, be reported and considered
corroborative of the original positive results.

SO DOC 16B-262.113 NYCRR 262.113 Employee assistance program.
(a) Each operator shall provide an employee assistance program (EAP)
for its employees and supervisory personnel who will determine whether
an employee must be drug tested based on reasonable cause. The operator
may establish the EAP as a part of its internal personnel services or
the operator may contract with an entity that provides EAP services.
Each EAP must include education and training on drug use. At the
discretion of the operator, the EAP may include opportunity for employee
rehabilitation.
(b) Education under each EAP must include at least the following
elements: display and distribution of informational material; display
and distribution of a community service hot line telephone number for
employee assistance; and display and distribution of the employer's
policy regarding the use of prohibited drugs.
(c) Training under each EAP for supervisory personnel who will
determine whether an employee must be drug tested based on reasonable
cause must include one 60-minute period of training on the specific, contemporaneous physical, behavioral, and performance indicators of probable drug use.

262.115 Contractor employees.

With respect to those employees who are contractors or employed by a contractor, an operator may provide by contract that the drug testing, education, and training required by this Part be carried out by the contractor provided:

(a) The operator remains responsible for ensuring that the requirements of this Part are complied with.

(b) The contractor allows access to property and records by the operator, the administrator, and a representative of the Department for the purpose of monitoring the operator's compliance with the requirements of this Part.

262.117 Recordkeeping.

(a) Each operator shall keep the following records for the periods specified and permit access to the records as provided by subdivision (b) of this section:

(1) Records that demonstrate the collection process conforms to this Part must be kept for at least three years.

(2) Records of employee drug test results that indicate a verified positive result, records that demonstrate compliance with the recommendations of a substance abuse professional, and MIS annual report data shall be maintained for a minimum of five years.

(3) Records of employee drug test results that show employee passed a drug test must be kept for at least one year.

(4) Records confirming that supervisors and employees have been trained as required by this Part must be kept for at least three years.

(b) Information regarding an individual's drug testing results or rehabilitation must be released upon the written consent of the individual and as provided by DOT Procedures. Statistical data related to drug testing and rehabilitation that is not name-specific and training records must be made available to the administrator or the representative of the Department upon request.

(c) The laboratory shall release information related to a positive drug test of an individual to the individual, the employer, or the decisionmaker in a lawsuit, grievance, or other proceeding initiated by or on behalf of the individual and arising from a certified positive drug test.

262.119 Reporting of anti-drug testing results.

(a) Each large operator (having more than 50 covered employees) shall submit an annual MIS report to RSPA of its anti-drug testing using the Management Information System (MIS) form and instructions as required by 49 CFR Part 40 (at section 40.25 and appendix H to Part 40), not later than March 15 of each year for the prior calendar year (January 1 through December 31). The Administrator shall require by written notice that small operators (50 or fewer covered employees) not otherwise required to submit annual MIS reports to prepare and submit such reports to RSPA.

(b) Each report required under this section shall be submitted to the Office of Pipeline Safety, Research and Special Programs Administration,
(c) To calculate the total number of covered employees eligible for random testing throughout the year, as an operator, you must add the total number of covered employees eligible for testing during each random testing period for the year and divide that total by the number of random testing periods. Covered employees, and only covered employees, are to be in an employer's random testing pool, and all covered employees must be in the random pool. If you are an employer conducting random testing more often than once per month (e.g., you select daily, weekly, bi-weekly), you do not need to compute this total number of covered employees rate more than on a once per month basis.

(d) As an employer, you may use a service agent (e.g., Consortia/Third Party Administrator (C/TPA) as defined in 49 CFR Part 40) to perform random selections for you; and your covered employees may be part of a larger random testing pool of covered employees. However, you must ensure that the service agent you use is testing at the appropriate percentage established for your industry and that only covered employees are in the random testing pool.

(e) Each operator that has a covered employee who performs multi-DOT agency functions (e.g., an employee performs pipeline maintenance duties and drives a commercial motor vehicle), count the employee only on the MIS report for the DOT agency under which he or she is randomly tested. Normally, this will be the DOT agency under which the employee performs more than 50% of his or her duties. Operators may have to explain the testing data for these employees in the event of a DOT agency inspection or audit.

(f) A service agent (e.g., C/TPA) may prepare the MIS report on behalf of an operator. However, each report shall be certified by the operator's anti-drug manager or designated representative for accuracy and completeness.

SO DOC 16B-262.200

NYCRR

262.200 Purpose.

The purpose of this part is to establish programs designed to help prevent accidents and injuries resulting from the misuse of alcohol by employees who perform covered functions for operators of certain pipeline facilities subject to parts 192, 193, or 195 of Title 49 of the Code of Federal Regulations (49 CFR).

SO DOC 16B-262.202

NYCRR

262.202 Alcohol misuse plan.

Each operator shall maintain and follow a written alcohol misuse plan that conforms to the requirements of this part and the DOT procedures concerning alcohol testing programs. The plan shall contain methods and procedures for compliance with all the requirements of this part, including required testing, recordkeeping, reporting, education and training elements.

SO DOC 16B-262.209

NYCRR

262.209 Other requirements imposed by operators.

(a) Except as expressly provided in this part, nothing in this part shall be construed to affect the authority of operators, or the rights of employees, with respect to the use or possession of alcohol, including authority and rights with respect to alcohol testing and rehabilitation.

(b) Operators may, but are not required to, conduct pre-employment
alcohol testing under this Part. Each operator that conducts pre-employment alcohol testing must:

1. Conduct a pre-employment alcohol test before the first performance of covered functions by every covered employee (whether a new employee or someone who has transferred to a position involving the performance of covered functions);

2. Treat all covered employees the same for the purpose of pre-employment alcohol testing (i.e., you must not test some covered employees and not others);

3. Conduct the pre-employment tests after making a contingent offer of employment or transfer, subject to the employee passing the pre-employment alcohol test;

4. Conduct all pre-employment alcohol tests using the alcohol testing procedures in DOT Procedures; and

5. Not allow any covered employee to begin performing covered functions unless the result of the employee's test indicates an alcohol concentration of less than 0.04.

**262.211 Requirement for notice.**

Before performing an alcohol test under this part, each operator shall notify a covered employee that the alcohol test is required by this part. No operator shall falsely represent that a test is administered under this part.

**262.215 Alcohol concentration.**

Each operator shall prohibit a covered employee from reporting for duty or remaining on duty requiring the performance of covered functions while having an alcohol concentration of 0.04 or greater. No operator having actual knowledge that a covered employee has an alcohol concentration of 0.04 or greater shall permit the employee to perform or continue to perform covered functions.

**262.217 On-duty use.**

Each operator shall prohibit a covered employee from using alcohol while performing covered functions. No operator having actual knowledge that a covered employee is using alcohol while performing covered functions shall permit the employee to perform or continue to perform covered functions.

**262.219 Pre-duty use.**

Each operator shall prohibit a covered employee from using alcohol within 4 hours prior to performing covered functions, or, if an employee is called to duty to respond to an emergency, within the time period after the employee has been notified to report for duty. No operator having actual knowledge that a covered employee has used alcohol within 4 hours prior to performing covered functions or within the time period after the employee has been notified to report for duty shall permit that covered employee to perform or continue to perform covered functions.

**262.221 Use following an accident.**

Each operator shall prohibit a covered employee who has actual knowledge of an accident in which his or her performance of covered functions has not been discounted by the operator as a contributing
factor to the accident from using alcohol for 8 hours following the accident unless he or she has been given a post-accident test under section 262.225(a), or the operator has determined that the employee's performance could not have contributed to the accident.

262.223 Refusal to submit to a required alcohol test.

Each operator shall require a covered employee to submit to a post-accident alcohol test required under section 262.225(a), a reasonable suspicion alcohol test required under section 262.225(b), or a follow-up alcohol test required under section 262.225(d). No operator shall permit an employee who refuses to submit to such a test to perform or continue to perform covered functions.

262.225 Alcohol tests required.

Each operator shall conduct the following types of alcohol tests for the presence of alcohol:

(a) Post-accident

(1) As soon as practicable following an accident, each operator shall test each surviving covered employee for alcohol if that employee's performance of a covered function either contributed to the accident or cannot be completely discounted as a contributing factor to the accident. The decision not to administer a test under this section shall be based on the operator's determination, using the best available information at the time of the determination, that the covered employee's performance could not have contributed to the accident.

(ii) If a test required by this section is not administered within two hours following the accident, the operator shall prepare and maintain on file a record stating the reasons the test was not promptly administered. If a test required by paragraph (a) is not administered within eight hours following the accident the operator shall cease attempts to administer an alcohol test and shall state in the record the reasons for not administering the test.

(ii) (Reserved)

(3) A covered employee who is subject to post-accident testing who fails to remain readily available for such testing, including notifying the operator or operator representative of his/her location if he/she leaves the scene of the accident prior to submission to such test, may be deemed by the operator to have refused to submit to testing. Nothing in this section shall be construed to require the delay of necessary medical attention for injured people following an accident or to prohibit a covered employee from leaving the scene of an accident for the period necessary to obtain assistance in responding to the accident or to obtain necessary emergency medical care.

(b) Reasonable suspicion testing.

(1) Each operator shall require a covered employee to submit to an alcohol test when the operator has reasonable suspicion to believe that the employee has violated the prohibitions in this part.

(2) The operator's determination that reasonable suspicion exists to require the covered employee to undergo an alcohol test shall be based on specific, contemporaneous, articulable observations concerning the appearance, behavior, speech, or body odors of the employee. The required observations shall be made by a supervisor who is trained in detecting the symptoms of alcohol misuse. The supervisor who makes the determination that reasonable suspicion exists shall not conduct the
breath alcohol test on that employee.

(3) Alcohol testing is authorized by this section only if the observations required by paragraph (b) (2) of this section are made during, just preceding, or just after the period of the work day that the employee is required to be in compliance with this part. A covered employee may be directed by the operator to undergo reasonable suspicion testing for alcohol only while the employee is performing covered functions; just before the employee is to perform covered functions; or just after the employee has ceased performing covered functions.

(4)(i) If a test required by this section is not administered within 2 hours following the determination under paragraph (b) (2) of this section, the operator shall prepare and maintain on file a record stating the reasons the test was not promptly administered. If a test required by this section is not administered within 8 hours following the determination under paragraph (b) (2) of this section, the operator shall cease attempts to administer an alcohol test and shall state in the record the reasons for not administering the test. Records shall be submitted to RSPA upon request of the Administrator.

(ii) (Reserved)

(iii) Notwithstanding the absence of a reasonable suspicion alcohol test under this section an operator shall not permit a covered employee to report for duty or remain on duty requiring the performance of covered functions while the employee is under the influence of or impaired by alcohol, as shown by the behavioral, speech or performance indicators of alcohol misuse, nor shall an operator permit the covered employee to perform or continue to perform covered functions, until:

(A) An alcohol test is administered and the employee's alcohol concentration measures less than 0.02; or

(B) The start of the employee's next regularly scheduled duty period, but not less than 8 hours following the determination under paragraph (b) (2) of this section that there is reasonable suspicion to believe that the employee has violated the prohibitions in this part.

(iv) Except as provided in paragraph (b) (4) (ii), no operator shall take any action under this part against a covered employee based solely on the employee's behavior and appearance in the absence of an alcohol test. This does not prohibit an operator with the authority independent of this part from taking any action otherwise consistent with law.

(c) Return-to-duty testing. Each operator shall ensure that before a covered employee returns to duty requiring the performance of a covered function after engaging in conduct prohibited by sections 262.215 through 262.223, the employee shall undergo a return-to-duty alcohol test with a result indicating an alcohol concentration of less than 0.02.

(d) Follow-up testing.

(1) Following a determination under section 262.243(b) that a covered employee is in need of assistance in resolving problems associated with alcohol misuse, each operator shall ensure that the employee is subject to unannounced follow-up alcohol testing as directed by a substance abuse professional in accordance with the provisions of 262.243(c) (2) (ii).

(2) Follow-up testing shall be conducted when the covered employee is performing covered functions; just before the employee is to perform covered functions; or just after the employee has ceased performing such functions.
(e) Retesting of covered employees with an alcohol concentration of 0.02 or greater but less than 0.04. Each operator shall retest a covered employee to ensure compliance with the provisions of section 262.237, if an operator chooses to permit the employee to perform a covered function within 8 hours following the administration of an alcohol test indicating an alcohol concentration of 0.02 or greater but less than 0.04.

262.227 Retention of records.

(a) General requirement. Each operator shall maintain records of its alcohol misuse prevention program as provided in this section. The records shall be maintained in a secure location with controlled access and shall be in a form that is immediately accessible to the Administrator or representatives of the Department.

(b) Period of retention. Each operator shall maintain the records in accordance with the following schedule:

(1) Five years. Records of employee alcohol test results with results indicating an alcohol concentration of 0.02 or greater, documentation of refusals to take required alcohol tests, calibration documentation, employee evaluation and referrals, and MIS annual report data shall be maintained for a minimum of 5 years.

(2) Two years. Records related to the collection process (except calibration of evidential breath testing devices), and training shall be maintained for a minimum of 2 years.

(3) One year. Records of all test results below 0.02 (as defined in 49 CFR 40) shall be maintained for a minimum of 1 year.

(c) Types of records. The following specific records shall be maintained:

(1) Records related to the collection:
   (i) Collection log books, if used.
   (ii) Calibration documentation for evidential breath testing devices.
   (iii) Documentation of breath alcohol technician training.
   (iv) Documents generated in connection with decisions to administer suspicion alcohol tests.
   (v) Documents generated in connection with decisions on post-accident tests.
   (vi) Documents verifying existence of a medical explanation of the inability of a covered employee to provide adequate breath for testing.

(2) Records related to test results:
   (i) The operator's copy of the alcohol test form, including the results of the test.
   (ii) Documents related to the refusal of any covered employee to submit to an alcohol test required by this part.
   (iii) Documents presented by a employee to dispute the result of alcohol test administered under this part.

(3) Records related to other violations of this part.

(4) Records related to evaluations:
   (i) Records pertaining to a determination by a substance abuse professional concerning a covered employee's need for assistance.
   (ii) Records concerning a covered employee's compliance with the recommendations of the substance abuse professional.

(5) Record(s) related to the operators MIS annual testing data.

(6) Records related to education and training:
   (i) Materials on alcohol misuse awareness, including a copy of the
operator's policy on alcohol misuse.

(ii) Documentation of compliance with the requirements of 262.231.
(iii) Documentation of training provided to supervisors for the purpose of qualifying the supervisors to make a determination concerning the need for alcohol testing based on reasonable suspicion.
(iv) Certification that any training conducted under this part complies with the requirements for such training.

262.229 Reporting of alcohol testing results.
(a) Each large operator (having more than 50 covered employees) shall submit an annual MIS report to RSPA of its alcohol testing results using the Management Information System (MIS) form and instructions as required by 49 CFR Part 40 (at section 40.25 and appendix H to Part 40), by March 15 of each year for the previous calendar year (January 1 through December 31). The Administrator may require by written notice that a small operator (50 or fewer covered employees), not otherwise required to submit annual MIS reports, submit such a report to RSPA.

(b) Each operator that has a covered employee who preforms multi-DOT agency functions (e.g., an employee performs pipeline maintenance duties and drives a commercial motor vehicle), count the employee only on the MIS report for the DOT agency under which he or she is tested. Normally, this will be the DOT agency under which the employee performs more than 50% of his or her duties. Operators may have to explain the testing data for these employees in the event of a DOT agency inspection or audit.

(c) Each report required under this section shall be submitted to the Office of Pipeline Safety (OPS), Research and Special Programs Administration, Department of Transportation, Room 7128, 400 Seventh Street SW., Washington, DC 20590. RSPA will allow the operator the option of sending the report on the computer disk provided by RSPA. If this option is used, a signature page attesting to the validity of the information on the computer disk must be sent to the address in this section.

(d) A service agent (e.g., Consortia/Third Party Administrator as defined in 49 CFR Part 40) may prepare the MIS report on behalf of an operator. However, each report shall be certified by the operator's anti-drug manager or designated representative for accuracy and completeness.

262.231 Access to facilities and records.
(a) Except as required by law or expressly authorized or required in this part, no employer shall release covered employee information that is contained in records required to be maintained in section 262.227.

(b) A covered employee is entitled, upon written request, to obtain copies of any records pertaining to the employee's use of alcohol, including any records pertaining to his or her alcohol tests. The operator shall promptly provide the records requested by the employee. Access to a employee's records shall not be contingent upon payment for records other than those specifically requested.

(c) Each operator shall permit access to all facilities utilized in complying with the requirements of this part to the Secretary of Transportation, any DOT agency, or a representative of a state agency with regulatory authority over the operator.

(d) Each operator shall make available copies of all results for employer alcohol testing conducted under this part and any other
information pertaining to the operators alcohol misuse prevention program when requested by the Department. The information shall include name-specific alcohol test results, records, and reports.

(e) When requested by the National Transportation Safety Board as part of an accident investigation, an operator shall disclose information related to the operator's administration of any post-accident alcohol tests administered following the accident under investigation.

(f) An operator shall make records available to a subsequent employer upon receipt of the written request from the covered employee. Disclosure by the subsequent employer is permitted only as expressly authorized by the terms of the employee's written request.

(g) An operator may disclose information without employee consent as provided by DOT Procedures concerning certain legal proceedings.

(h) An operator shall release information regarding a covered employee's records as directed by the specific, written consent of the employee authorizing release of the information to an identified person. Release of such information by the person receiving the information is permitted only in accordance with the terms of the employee's consent.

262.233 Removal from covered function.

Except as provided in sections 262.239 through 262.243, no operator shall permit any covered employee to perform covered functions if the employee has engaged in conduct prohibited by sections 262.215 through 262.223 or an alcohol misuse rule of another DOT agency.

262.235 Required evaluation and testing.

No operator shall permit a covered employee who has engaged in conduct prohibited by sections 262.215 through 262.223 to perform covered functions unless the employee has met the requirements of 262.243.

262.237 Other alcohol-related conduct.

(a) No operator shall permit a covered employee tested under the provisions of section 262.225, who is found to have an alcohol concentration of 0.02 or greater but less than 0.04, to perform or continue to perform covered functions until:

(1) The employee's alcohol concentration measures less than 0.02 in accordance with a test administered under section 262.225(e); or

(2) The start of the employee's next regularly scheduled duty period, but not less than 8 hours following administration of the test.

(b) Except as provided in Subdivision (a) of this section, no operator shall take any action under this part against an employee based solely on test results showing an alcohol concentration less than 0.04. This does not prohibit an operator with authority independent of this part from taking any action otherwise consistent with law.

262.239 Operator obligation to promulgate a policy on the misuse of alcohol.

(a) General requirements. Each operator shall provide educational materials that explain these alcohol misuse requirements and the operator's policies and procedures with respect to meeting those requirements.

(1) The operator shall ensure that a copy of these materials is distributed to each covered employee prior to start of alcohol testing under this part, and to each person subsequently hired for or
transferred to a covered position.

(2) Each operator shall provide written notice to representatives of employee organizations of the availability of this information.

(b) Required content. The materials to be made available to covered employees shall include detailed discussion of at least the following:

(1) The identity of the person designated by the operator to answer covered employee questions about the materials.

(2) The categories of employees who are subject to the provisions of this part.

(3) Sufficient information about the covered functions performed by those employees to make clear what period of the work day the covered employee is required to be in compliance with this part.

(4) Specific information concerning covered employee conduct that is prohibited by this part.

(5) The circumstances under which a covered employee will be tested for alcohol under this part.

(6) The procedures that will be used to test for the presence of alcohol, protect the covered employee and the integrity of the breath testing process, safeguard the validity of the test results, and ensure that those results are attributed to the correct employee.

(7) The requirement that a covered employee submit to alcohol tests administered in accordance with this part.

(8) An explanation of what constitutes a refusal to submit to an alcohol test and the attendant consequences.

(9) The consequences for covered employees found to have violated the prohibitions under this part, including the requirement that the employee be removed immediately from covered functions, and the procedures under section 262.243.

(10) The consequences for covered employees found to have an alcohol concentration of 0.02 or greater but less than 0.04.

(11) Information concerning the effects of alcohol misuse on an individual's health, work, and personal life; signs and symptoms of an alcohol problem (the employee's or a coworker's); and including intervening, evaluating and resolving problems associated with the misuse of alcohol, including intervening when an alcohol problem is suspected, confrontation, referral to any available EAP, and/or referral to management.

(c) Optional provisions. The materials supplied to covered employees may also include information on additional operator policies with respect to the use or possession of alcohol, including any consequences for an employee found to have a specified alcohol level, that are based on the operator's authority independent of this part. Any such additional policies or consequences shall be clearly described as being based on independent authority.

-- NYCRR 262.241 Training for supervisors.

Each operator shall ensure that persons designated to determine whether reasonable suspicion exists to require a covered employee to undergo alcohol testing under section 262.225(b) receive at least 60 minutes of training on the physical, behavioral, speech, and performance indicators of probable alcohol misuse.


(a) Each covered employee who has engaged in conduct prohibited by
sections 262.215 through 262.223 of this part shall be advised of the resources available to the covered employee in evaluating and resolving problems associated with the misuse of alcohol. This includes the names, addresses, and telephone numbers of substance abuse professionals and counseling and treatment programs.

(b) Each covered employee who engages in conduct prohibited under sections 262.215 through 262.223 shall be evaluated by a substance abuse professional who shall determine what assistance, if any, the employee needs in resolving problems associated with alcohol misuse.

(c) (1) Before a covered employee returns to duty requiring the performance of a covered function after engaging in conduct prohibited by sections 262.215 through 262.223 of this part, the employee shall undergo a return-to-duty alcohol test with a result indicating an alcohol concentration of less than 0.02.

(2) In addition, each covered employee identified as needing assistance in resolving problems associated with alcohol misuse:
   (i) Shall be evaluated by a substance abuse professional to determine that the employee has properly followed any rehabilitation program prescribed under Subdivision (b) of this section, and
   (ii) Shall be subject to unannounced follow-up alcohol tests administered by the operator following the employee's return to duty. The number and frequency of such follow-up testing shall be determined by a substance abuse professional, but shall consist of at least six tests in the first 12 months following the employee's return to duty. In addition, follow-up testing may include testing for drugs, as directed by the substance abuse professional, to be performed in accordance with 49 CFR Part 40. Follow-up testing shall not exceed 60 months from the date of the employee's return to duty. The substance abuse professional may terminate the requirement for follow-up testing at any time after the first six tests have been administered, if the substance abuse professional determines that such testing is no longer necessary.

(d) Evaluation and rehabilitation may be provided by the operator, by a substance abuse professional under contract with the operator, or by a substance abuse professional not affiliated with the operator. The choice of substance abuse professional and assignment of costs shall be made in accordance with the operator/employee agreements and operator/employee policies.

(e) The operator shall ensure that a substance abuse professional who determines that a covered employee requires assistance in resolving problems with alcohol misuse does not refer the employee to the substance abuse professional's private practice or to a person or organization from which the substance abuse professional receives remuneration or in which the substance abuse professional has a financial interest. This paragraph does not prohibit a substance abuse professional from referring an employee for assistance provided through:
   (1) A public agency, such as a State, county, or municipality,
   (2) The operator or a person under contract to provide treatment for alcohol problems on behalf of the operator,
   (3) The sole source of therapeutically appropriate treatment under the employee's health insurance program; or
   (4) The sole source of therapeutically appropriate treatment reasonably accessible to the employee.
262.245 Contractor employees.
(a) With respect to those covered employees who are contractors or employed by a contractor, an operator may provide by contract that the alcohol testing, training and education required by this part be carried out by the contractor provided:
   (1) The operator remains responsible for ensuring that the requirements of this part and 49 CFR part 40 are complied with; and
   (2) The contractor allows access to property and records by the operator, the Administrator, any DOT agency with regulatory authority over the operator or covered employee, and, if the operator is subject to the jurisdiction of the department, a representative of the department for the purposes of monitoring the operator's compliance with the requirements of this part and 49 CFR part 40.
charge is imposed, the rate schedules shall show the rates for service, the amount due including the late payment charge when the charge becomes applicable, and the period during which the bill may be paid without the imposition of the late payment charge.

271.5 Increase in rates prohibited. No corporation, partnership or person furnishing gas, electric, steam or water service shall so revise or redraft its rate schedules in compliance with this Part as to increase the rates for service applicable to any customer as compared with the rates now in effect without special permission of the commission.

272.1 Late payment charge
272.2 Contents of bill
272.3 Amount of late payment charge
272.4 Contents of rate schedules
272.5 Increase in rates prohibited

Section 272.1 Late payment charge. Any municipality furnishing gas, electric or steam service may impose a late payment charge, either one-time or continuing interest type, because of the failure of any customer to pay a bill for such service within a specified period therein stated.

272.2 Contents of bill. If any municipality furnishing gas, electric or steam service elects to impose a one-time charge for late payment for such service, it shall show on each bill the amount billed, the amount that will be due, including the late payment charge, when the late payment charge becomes applicable.

272.3 Amount of late payment charge. If a one-time late payment charge is imposed, it shall not exceed an amount equal to 10 percent of the first $10 of any bill, plus three percent of any amount of such bill in excess of $10; provided, however, that a minimum charge may be made of not to exceed 15 cents per bill, and further provided that there may be allowed in any block of a rate schedule a late payment charge of one mill per kilowatt hour of electricity or one mill per 100 cubic feet of gas.

272.4 Contents of rate schedules. In case a one-time late payment charge is imposed, the rate schedules shall show the rates for service, the amount due including the late payment charge when the charge becomes applicable, and the period during which the bill may be paid without the imposition of the late payment charge.

272.5 Increase in rates prohibited. No municipality furnishing gas, electric or steam service shall, without special permission of this commission, so revise or amend its rate schedules, in compliance with this Part, as to increase the rates for service applicable to any customer as compared with the rates now in effect.
PART 273

BILLS FOR SERVICE--GAS CORPORATIONS

(Statutory authority: Public Service Law, ñ 66)

Note: The provisions contained in this Part must be complied with by July 1, 1976; however, prior to that date, utilities may show on their bill forms the information specified by this Part. By order dated January 7, 1976, the commission directed all companies subject to this Part to send an explanatory leaflet to its customers with the first new bill form sent; the bill forms and leaflet were also required to be filed with the commission 30 days prior to use of the new bill form.

Sec.

273.1 Contents of bill
273.2 Budget or equal payment billing
273.3 List of company offices

Section 273.1 Contents of bill. Each bill for gas service issued after June 30, 1976, on the portion that is retained by the customer, shall show, but not be limited to, the following information, except as otherwise provided by this Part:

(a) The name of the corporation, partnership or person by which the service was furnished and, except as provided by this Part, no other name.

(b) The location of the principal office and one or more company offices at which it may be paid, and a statement that bills may be paid at other authorized offices.

(c) The service classification or classifications in the rate schedules on which it is based.

(d) Any charges or credits which are adjustments to the rate schedules referred to in subdivision (c) of this section shall be itemized and shown in dollars per type of unit billed and in total dollars.

(e) The billed demand or other similar factor (if applicable).

(f) Present meter reading, actual or estimated (indicate if estimated), and date thereof.

(g) Previous meter reading, actual or estimated (indicate if estimated), and date thereof, and/or the number of days or the prorated period from the previous meter reading, actual or estimated, to the present meter reading, actual or estimated.

(h) Meter multiplier or constant (if applicable).

(i) Debit or credit balance still outstanding from prior bill, if any.

(j) Quantity billed and unit of measurement, except quantity need not be shown for interim budget billing.

(k) Gross amount of bill, including any sales tax.

(l) Amount of discount and/or net amount of bill (if applicable).

(m) Date when discount period expires or late payment charge becomes effective shall be shown on the front of the bill (if applicable). The payment date is to be determined by the date of mailing or date paid at designated office.

(n) If the service be furnished by a corporation which desired to indicate that it is owned or controlled by another company, or that it constitutes part of a system, it may so indicate by the use of a small symbol or by a statement to that effect printed on the bill in small, inconspicuous type.

(o) Only service(s) performed, materials furnished or other charges
made by the company, pursuant to its filed tariff, may be included and shall be itemized on the applicable bill form. Whenever the bill form, by reason of size limitations, does not permit itemization, totals may be utilized, provided the charges making up such totals are itemized in an addendum attached to or enclosed with the bill.

(p) Each bill rendered by the company shall identify the account for which service is being charged by setting forth an account or meter number or other appropriate method of identification of the address or location of the premises where the service(s) for which the bill is rendered was/were furnished.

(q) The back of the entire bill may be used for any purposes deemed appropriate related to the service(s) rendered.

(r) As long as it does not confuse the customer, pertinent messages and information may be printed on any portion of the front of the bill.

(s) An explanation of any abbreviation or symbol used that is not in common English usage.

273.2 Budget or equal payment billing. On either the bill or in an addendum attached to or enclosed with the bill shall be shown:

(a) Identification of the type of budget or equal payment plan, if more than one plan is offered.

(b) The total of the year's budget or equal payment amounts billed to the end of the period covered by the current bill.

(c) The dollar amount billed for tariff items during the same period as in subdivision (b) of this section.

(d) Debit or credit balance to be shown as D or C on the bill and defined as follows:

\[
D \quad \text{Amount due company} \\
C \quad \text{Amount in customer favor}
\]

273.3 List of company offices. Each gas company shall provide annually to its customers a list of all company offices at which utility bills may be paid, if such information is not shown on its bill form.

PART 274

CHARGES FOR SPECIAL SERVICES

(Statutory authority: Public Service Law, ò 65)

Sec. 274.1 Charges for special services required to be filed

Section 274.1 Charges for special services required to be filed. Every gas, electric, gas and electric corporation and every municipality providing gas or electric service is hereby directed and required to file amendments to its tariff schedules to be effective not later than November 15, 1948 on not less than 30 days' notice to the public and this commission setting forth the charges that will be made for each and every service performed for a customer or an applicant for service, except service directly connected with the installation of appliances sold by such corporation or municipality or directly connected with jobbing work performed as an agent under an agency contract, whereby the corporation or municipality undertakes to do jobbing work for a stipulated profit or commission provided, however, that corporations or municipalities who now have such charges set forth in their tariff schedules need not refile such provisions.
PART 275
NOTICES OF DISCONTINUANCE AND COMPLAINT PROCEDURES
(Statutory authority: Public Service Law, §§ 4, 20, 66, 71, 72)

Sec. 275.1 Notice of discontinuance--time.

(a) No gas corporation shall discontinue the supply of gas for nonpayment of bills rendered for service, or for failure to post a required deposit, until:

(1) at least five days after written notice has been served personally upon the person supplied;

(2) at least eight days after mailing written notice in postpaid wrapper to the person supplied, addressed to such person at premises where service is rendered; or

(3) at least five days after the person supplied has either signed for or refused a registered letter containing written notice, addressed to such person at premises where service is rendered.

(b) If the person supplied has specified to the company in writing an alternate address for billing purposes, the notice authorized under paragraphs (2) and (3) of subdivision (a) of this section shall be sent to such alternate address rather than to the premises where service is rendered.

Sec. 275.2 Notice of discontinuance--format.

(a) Every notice indicating discontinuance of service shall:

(i) clearly indicate in nontechnical language and, where practicable, in a bilingual format:

(ii) the reason for service discontinuance;

(iii) the total amount required to be paid by the customer to avoid discontinuance of service, indicating the amount for which the customer's account is in arrears or the required deposit, if any, which must be posted by the customer, or both;

(iv) a method whereby the customer may tender payment of the full sum due and owing, including any required deposit, to avoid the discontinuance of his service;
(iv) the availability of company procedures to consider customer complaints prior to discontinuance, including the address and phone number of the office of the gas company the customer may contact in reference to his account; and
(v) the earliest date on which discontinuance may be attempted; and
(2) have printed on the face thereof, in a size type capable of attracting immediate attention, the following:
"THIS IS A FINAL DISCONNECT NOTICE. TO AVOID INCONVENIENCE, BRING THIS NOTICE TO THE ATTENTION OF THE COMPANY WHEN PAYING THIS BILL."
(b) Every notice indicating discontinuance of service to residential customers shall include a statement that gas service to any person receiving financial assistance from a local social services department in certain cases may not be terminated, and that the recipient may inform the utility providing such service of his status so that the utility may ascertain the applicability of such provisions to him.
(c) Advise consumers that they should contact such corporation's business office immediately if any acute hardship, such as death in the family, recent unemployment, serious illness or infirmity, or other grave condition exists, in order that such corporation may determine whether any temporary arrangement should be employed to avoid immediate termination.
(d) Where full compliance with subdivision (a) of this section is found by the commission to be infeasible or to impose an unreasonable burden upon the company, the commission may grant a waiver of the requirements of such subdivision upon approval by the commission of an alternate arrangement which accomplishes the basic purposes of this section.

SO DOC 16B-275.3

275.3 No discontinuance without verification of delinquent account.
(a) No gas corporation shall discontinue service for nonpayment of bills rendered, or for failure to post a required deposit, unless:
   (1) it shall have verified that payment has not been received at any office of the company or at any office of an authorized collection agent through the end of the notice period required by this Part; and
   (2) it shall have verified on the day disconnection occurs that payment has not been posted to the customer's account as of the opening of business on that day, or shall have complied with procedures established pursuant to section 275.4(b) of this Part.
   (b) In the case of a company which serves a geographical area of this State involving more than six counties, the commission may grant a waiver of the requirements of paragraph (a) (1) of this section upon approval by the commission of an alternate procedure for verification of payments which accomplishes the basic purposes of such paragraph.

SO DOC 16B-275.4

275.4 Rapid posting of payments in response to notices of discontinuance. Every gas corporation shall take reasonable steps to establish procedures to insure that any payments made in response to notices of discontinuance, when the customer brings the fact that such a notice has been issued to the attention of the company or its collection agents, shall either:
   (a) be posted to the customer's account on the day payment is received; or
   (b) be processed in some manner so that discontinuance will not occur.

SO DOC 16B-275.5
275.5 Days when discontinuance of service is not permitted.

No gas corporation shall discontinue service to any person for nonpayment of bills or for failure to post a required deposit on a Saturday, Sunday, public holiday, or day on which the main business office of the company is not open for business. For purposes of this section, the term public holiday refers to those holidays enumerated in the General Construction Law.

(b) No gas or gas and electric or municipal gas corporation shall discontinue gas service to any residential customer for nonpayment of bills or for failure to post a required deposit on a Friday, or the day immediately preceding a day on which the main business office of the company is not scheduled to be open for business, or the day immediately preceding a public holiday. No such corporation shall discontinue service to any residential customer for nonpayment of bills or for failure to post a required deposit during a two-week period encompassing Christmas and New Year's Day.

275.6 No additional notice required when payment by check is subsequently dishonored. Receipt of a subsequently dishonored negotiable instrument in response to a notice of discontinuance shall not constitute payment of the customer's account, and no gas corporation shall be required to issue additional notice prior to discontinuance.

275.7 Discontinuance of service to entire multiple dwellings.

(a) No gas corporation shall discontinue service to an entire multiple dwelling (as defined in the Multiple Dwelling Law or the Multiple Residence Law) where the owner, person, firm or corporation to whom or which the last preceding bill has been rendered, or from whom or which the gas corporation has received payment therefor, has failed to pay such utility bills, until it has complied with the following procedure:

(1) The gas corporation must give 15 days' written notice of its intention to so discontinue by personally serving such notice on the owner of the premises affected or on the person, firm, or corporation to whom or which the last preceding bill was rendered, or from whom or which the utility has received payment therefor, and on the superintendent or other person in charge of the building, if it can be readily ascertained that there is such superintendent or other person in charge; or

(2) The gas corporation must give 18 days' written notice to the owner, person, firm or corporation specified in paragraph (1) of this subdivision if such notice is mailed in a postpaid wrapper to the address of such persons, firm or corporation.

(3) In addition to the notice prescribed by paragraphs (1) and (2) of this subdivision, 15 days' written notice shall be posted in the public areas of such multiple dwelling, and 18 days' notice shall be mailed to the "Occupant" of each unit in that multiple dwelling, to the local health officer and director of the social services district for the political subdivision in which the multiple dwelling is located; if the multiple dwelling is located in a city or village, to the mayor thereof, or if there be none, to the manager; or, if the multiple dwelling is located in a town, then to the town supervisor; and to the county executive of the county in which the multiple dwelling is located, or if there be none, then to the chairman of such county's legislative body. Notice to mayors, managers, town supervisors, county executives, and
chairmen of county legislatures may be mailed to the persons specified therein or to their designees. Notice to health officers, directors of social services, mayors, managers, supervisors, county executives and chairmen of county legislatures shall be repeated not more than four working days nor less than two working days prior to such discontinuance.

(4) Whenever a notice of intention to discontinue gas service has been made pursuant to the provisions of this section and obligations owed the gas corporation have been satisfied, the gas corporation shall notify, in the same manner as it gave such notice of intention, the occupant of each unit that the intention to discontinue gas service no longer exists.

(b) Notwithstanding the provisions contained in subdivision (a) of this section, no gas corporation shall discontinue services to a multiple dwelling, where the owner, person, firm or corporation responsible for making payment fails to pay utility bills, as long as occupants of such multiple dwellings continue to make timely payments for service in accordance with procedures filed by the utility and approved by the Public Service Commission. All notices referred to in subdivision (a) of this section shall contain the intended date of discontinuance of service and a utility contact, including a telephone number, who will advise occupants of the amount due for gas service and who will arrange meetings with occupants to attempt to work out a mechanism for avoiding discontinuance of service in the event that the owner continues to fail to make requisite payments or arrangements for such payments. The notice shall also refer to the provisions contained in section 235-a of the New York Real Property Law authorizing occupants to set-off, against their rent, payments to utilities in such circumstances.

(c) A gas corporation, following the procedure outlined in subdivision (b) of this section, may require occupants in a multiple dwelling to pay no more than the current gas charges incurred by the owner, person, firm or corporation to whom or which the last preceding bill has been rendered or from whom or which the utility has received payment therefor. A current charge for purposes of this section means the amount properly billed the owner, etc., for gas used during the most recent billing period covered by the first bill rendered on or after the date when the disconnect notice is issued. The current charges will not include any arrears for earlier billing periods that may appear on such a bill.

(d) If occupants in a multiple dwelling find they are unable to reach an agreement with the utility to avoid discontinuance of service, they may contact the Consumer Service Section of the commission's Gas Division. After such a request is received, a representative of the Consumer Service Section of the Gas Division will attempt to work out such an agreement and will, if necessary, arrange a meeting with occupant representatives, the utility, and the owner, person, firm or corporation responsible for making payment for gas service; provided, however, that such a meeting will be required only if the Consumer Service Section receives a written petition signed by at least 25 percent of the occupants in a multiple dwelling.

(e) The Consumer Service Section may stay a threatened disconnection of service to an entire multiple dwelling where it concludes that good faith efforts are being made by the occupants to arrange for the payment
of current gas bills.

(f) Whenever an owner of a multiple dwelling, or the person, firm or corporation responsible for making payment for gas service, fails to pay two consecutive bills for utility service by the time the third bill has been prepared, the utility must notify the commission within 15 days that it has invoked the procedures outlined in subdivisions (a) and (b) of this section. Unless otherwise authorized, the notification should be in the form of a semi-monthly report filed with the Consumer Service Section. Such report should be cumulative, specify the total amount due for each overdue account, the period of arrearage, and indicate if a notice of discontinuance has been sent. If these reports demonstrate a need for changes in collection procedures, the Consumer Service Section shall advise the commission.

(g) Sections 275.3 through 275.6 of this Part shall be applicable with respect to the discontinuance of service to entire multiple dwellings.

275.8 Billing disputes. (a) Every gas corporation shall establish procedures whereby any complaint filed with such corporation by any customer thereof in regard to any bill for service rendered or any deposit required will be promptly investigated in an appropriate and fair manner, with the result of such investigation being promptly reported to the complaining customer. Such procedures shall allow the acceptance and processing of complaints submitted in simple manner and form. Regardless of whether a notice of discontinuance has previously been sent, the utility's procedures shall provide that pending the utility's investigation it shall not discontinue service or issue a notice of discontinuance; provided, however, the consumer may be required to pay the undisputed portion of a disputed bill or deposit to prevent discontinuance or the issuance of a notice of discontinuance.

(b) If, after the completion of such an investigation, the utility determines that the disputed service has been rendered, or that the disputed charge or deposit is proper, in whole or in part, the utility may require the full bill or deposit or the appropriate portion thereof to be paid; in such event, appropriate notice of the determination shall be given to the customer, and where notice of discontinuance of service has previously been sent, or is served with the determination, such notice shall include a statement advising the customer of the availability of the commission's complaint handling procedures. The utility's procedures may provide for discontinuance of service if the customer fails to pay such required amount after receipt of proper notice, provided that a customer's service will not be discontinued until at least five days after notice of the utility's determination, where personal service is made upon the person supplied, or at least eight days after mailing of such a notice, and provided further that no discontinuance may occur if so precluded by the commission pursuant to section 11.2(d) of this Title.

(c) The utility's procedures shall provide that, where the complaint procedures of the commission have been invoked and it is determined that the disputed service has been rendered, or that the disputed charge or deposit is proper, in whole or in part, a customer's service will not be discontinued for failure to pay the amount found appropriate until at least 15 days after notice of the commission's determination.

(d) The procedures required to be established under this section shall be filed with the commission for review. The commission shall be advised
of any substantial changes in such procedures 30 days prior to their proposed implementation to permit commission review.

275.9 Publicizing complaint procedures. (a) Every gas corporation shall, by a notice accompanying a regular bill or otherwise, advise each of its customers annually, unless otherwise directed by the commission, of the procedures available to the customer to register complaints in regard to service or disputed bills. Such notice shall clearly state the means by which a complaint can be made to the company and shall also advise the customer that, if after contacting the company the customer remains dissatisfied, he may contact the New York State Public Service Commission. Such notice shall further state that the Public Service Commission has a staff available to give assistance in such matters, and shall also specify an appropriate address of the Public Service Commission.

(b) Prior to circulating the notice required by subdivision (a) of this section, each utility shall submit to the commission for its approval the form of such notice and the intended program for its distribution.

275.10 Hardship procedures.

Each and every gas corporation and gas and electric corporation shall file with the commission and make available for public inspection such corporation's detailed procedures for handling hardship situations where consumers are threatened with disconnection of service. The detailed procedures to be filed under this section shall include the special procedures during the cold weather seasons required by sections 275.12 and 275.13 of this Part. Such corporations shall observe their filed procedures in conducting their disconnection activity.

275.11 Reconnection. (a) On or before May 31, 1978, all gas corporations and gas and electric corporations shall file with the commission tariff provisions which provide that, except in extreme and unusual circumstances or where a customer requests otherwise, such corporations shall reconnect service; during the months of November, December, January, February and March, to any disconnected residential customer no more than 24 hours after any of the following events:

1. receipt by the gas corporation of the full amount due (to include arrears; reestablishment charges and associated taxes; collection charges and associated taxes; and a security deposit when requested in writing) for which service had been disconnected;

2. agreement by the gas corporation to a plan by which the residential customer is obliged to satisfy the arrears; or

3. direction by the commission or chief--Consumer Services Section, Power or Gas Division of the commission staff, or their designees.

(b) The direction to reconnect service under subdivision (c) of this section should only occur where it reasonably appears, in exceptional circumstances, that there is a legitimate dispute about an unpaid portion of the arrears claimed by a utility, where an apparent error in the disconnection of service has occurred, or where a serious impairment to human health or safety seems to exist.

275.12 Special procedures during cold weather periods.

(a) Not later than August 15, 1978, each and every gas corporation and
gas and electric corporation shall develop methods to identify all residential households in its service territory which require gas service for heating the premises or operating a heating system. Thereafter, such corporation shall maintain the capability of identifying such residential accounts for the purposes of this section.

(b) During the period beginning November 1 of each year and ending April 15 of the following year, each gas corporation shall observe, at a minimum, the following procedures with respect to residential customers whose gas service is necessary to heat the premises or operate a heating system (as used in this section, the term customer means a residential customer whose gas service is necessary to heat the premises or operate a heating system and includes all customers residing in dwellings not included under section 116 of the Public Service Law):

(1) No such corporation shall terminate service to any customer unless, after service of a final notice of discontinuance, the corporation has attempted to communicate with the customer, or another person, 18 years of age or older, who resides with the customer, at the customer's residence. At a minimum, the attempt at personal contact shall include one visit at the premises by field personnel during normal working hours and, in the event that personal contact is not achieved, one visit by field personnel during reasonable nonbusiness periods (6 p.m. - 9 p.m. on weekdays or 9 a.m. - 5 p.m. on Saturdays, Sundays and holidays). If communication with the person contacted is not possible because of an apparent language barrier, the corporation shall take steps to assure communication before discontinuance. During the personal contacts, the corporation's representatives shall fully explain the reasons for discontinuance and shall attempt to ascertain whether a serious impairment to human health may result.

(2) For the purposes of this Part, a serious impairment to human health is indicated if a customer or other person residing in the premises appears to be seriously impaired and may, because of mental or physical problems, be unable to manage his or her own resources, carry out activities of daily living or protect oneself from neglect or hazardous situations without assistance from others. Indicators of serious impairment to human health include but are not limited to:

(i) age, infirmity or mental incapacitation;

(ii) use of life support systems, such as dialysis machines or iron lungs;

(iii) serious illness;

(iv) physical disability, including blindness and limited mobility;

(v) any other factual circumstances which indicate severe or hazardous health situations.

The above criteria are general standards and the corporation's field personnel must be trained to exercise discretion, sound judgment and common sense in ascertaining whether a serious impairment to human health exists. Doubts should be resolved in favor of continued service.

(3) No such corporation shall terminate service for nonpayment where a customer or other person residing in the premises exhibits a serious impairment to human health, as described in paragraph (b) (2) of this section, unless:

(i) the corporation notifies the local social services commissioner orally, and within five days in writing, on forms prescribed or approved by the commission (Appendix 16 contains the suggested form), that the customer or other person residing in the premises exhibits a serious
impairment to human health; and

(ii) the local social services commissioner, after an investigation, informs the corporation that the health-impairing condition does not exist or is not serious, or that an alternative means for protecting the person's health has been devised.

The corporation may exercise its own discretion with respect to terminating service to the customer in the event it does not receive an oral or written report from the local social services commissioner within 15 business days after the written referral of the matter by the corporation to the commissioner.

(4) If such a corporation terminates gas service to a customer because of nonpayment and the customer or a person 18 years of age or older residing on the premises was not personally contacted by the corporation before termination of service and has not communicated with the corporation for the purpose of requesting reconnection before 12 noon on the day following termination of service, the corporation shall immediately attempt to determine, by onsite inspection, direct personal contact at the premises with the residential customer or other adult person, or other reasonable measures, whether there is continuing occupancy and whether a serious impairment to human health, as described in paragraph (b) (2) of this section, exists. If the corporation determines that a customer or other person residing in the premises faces impairment to his or her health, it shall immediately restore the gas service and the requirements of paragraph (b) (3) of this section shall apply. If the corporation is unable obtain personal contact with the customer or an adult residing on the premises, and does not have reasonable grounds to believe that the customer has vacated the premises, it shall immediately refer the name and address of the customer to the local commissioner of social services, in accordance with the procedures set forth in paragraph (b) (3) of this section.

(5) Each such corporation shall designate an employee who will serve as a liaison with local social services departments.

(6) Each such corporation shall file with the commission for its review the procedures to be followed by the corporation's personnel in complying with these special procedures.

(c) If such corporation decides to disconnect gas service to a residential customer because it has established that the meter or service laterals have been tampered with or a theft of service has occurred, it shall attempt to determine, according to the procedures set forth in paragraphs (b) (1) and (2) of this section, whether a serious impairment would result from service disconnection. If such corporation ascertains that a serious impairment to human health would result, it shall observe the procedures set forth in paragraphs (b) (3) and (4) of this section; provided, however, that the requirement of continued service shall not apply in the event it is impractical for such corporation to eliminate any unsafe condition. In any case where a serious impairment is found and the corporation terminates service to preclude the continuation of an unsafe condition, it shall specially notify the local social services commissioner on the same day service is disconnected and request an immediate consideration of the case.

Comment: If a utility discovers a meter tampering or theft situation and determines that a serious impairment exists, it should continue service, pending DSS review, provided that service can be rendered safely. For example, if a utility discovers that the meter of a "locked
account" is advancing, it should, in most circumstances, be able to continue service in a safe manner. In other theft cases, particularly those involving gas service, the need for rendering the condition safe may preclude the continuation of service. For example, if a gas utility discovers unsafe piping, an unsafe meter bypass or substantial damage to the meter, termination may be the best method of eliminating the unsafe condition. If the utility cannot readily repair the unsafe condition or, in the case of a gas company, cannot obtain access to the pilot lights (which would have to be relit), immediate restoration of service would not be practical. The utility should specifically note, in its referrals to DSS, those cases where heat-related service is not restored or continued so that DSS may give immediate attention to them.

275.13 Survey of residential customers previously disconnected for nonpayment or theft of service. Not earlier than September 1 nor later than November 1 of every year, each gas corporation and gas and electric corporation shall conduct a survey of all former residential customers whose gas/electric service was used for heating the premises or operating a heating system, was terminated for nonpayment, meter or service lateral tampering, or theft of service during the 12-month period ending on November 1 of that year, and has not been restored. The purpose of the survey is to determine whether a continued lack of service may expose the former customer or other person residing in the premises to a serious impairment to human health as defined in subdivision (b) of section 275.12 of this Part. If the corporation determines that a former residential customer or other person residing in the premises may be exposed to a serious impairment to human health as defined in subdivision (b) of section 275.12 of this Part, it shall restore the gas service immediately, unless the customer refuses to permit such corporation to restore service or, in theft or tampering situations, unless it is impractical for the corporation to eliminate an unsafe condition, and the requirements of subdivision (b) of section 275.12 of this Part shall apply. If the corporation is unable to obtain personal contact with the customer or an adult residing on the premises, or the customer refuses to permit service restoration, it shall immediately refer the name and address of the former customer to the local commissioner of social services in accordance with the procedures set forth in paragraph (b)(3) of section 275.12 of this Part, unless the corporation has reasonable grounds to believe that the former customer has permanently vacated the premises.

275.14 Voluntary third-party notice prior to discontinuance of service. (a) Each and every gas and gas and electric and municipal gas corporation shall permit a residential consumer to designate a third party to receive a copy of every notice of discontinuance of service sent to such residential consumer, provided that such third party indicates in writing his or her willingness to receive such notices.

(b) Such corporations shall notify residential consumers annually of the availability of the third-party notice procedure.

275.15 Installment plans for residential customers. No such corporation shall terminate service to a customer because of the customer's failure to pay for service unless the corporation has first offered a monthly installment plan that is just and equitable.
corporation must offer a just and equitable monthly plan to all customers whose service has been disconnected for nonpayment. To the extent practicable, the monthly installment plan should be based on the customer's ability to pay, past payment history, the amount of indebtedness, and the availability of other resources. The monthly installment plan should require a customer to pay current bills and a portion of past indebtedness. A new monthly installment plan need not be offered to a customer who is in default on an existing one.

PART 277
INTEREST ON CUSTOMER OVERPAYMENTS TO GAS UTILITIES
(Statutory authority: Public Service Law, ñ 118[3])

Sec.
277.1 General
277.2 Standards
277.3 Rate of interest
277.4 Limitations

Section 277.1 General. Every gas corporation or municipality shall provide interest on customer overpayments according to the standards and criteria set forth in this Part.

277.2 Standards. A customer overpayment is defined as payment by the customer to the utility in excess of the correct charge for gas service supplied to the customer which was caused by erroneous billing by the utility.

277.3 Rate of interest. The rate of interest on such amounts shall be the greater of the unadjusted customer deposit rate or the applicable late payment rate, if any, for the service classification under which the customer was billed. Interest shall be paid from the date when the customer overpayment was made, adjusted for any changes in the deposit rate or late payment rate, and compounded monthly, until the date when the overpayment was refunded.

277.4 Limitations. This part applies to refunds returned to customers after the effective date of these rules. No gas corporation or municipality shall be required to pay interest on customer overpayments that are refunded within 30 days after such overpayment is received by the gas corporation or municipality.
Sec. 293.1 Retention of records at principal office required

293.2 Notice of transfer

Section 293.1 Retention of records at principal office required.

Every corporation, company, association, joint stock association, partnership and person under the jurisdiction of this commission shall retain possession of all accounts, books, contracts, records, documents and papers, and hold them for inspection by the Public Service Commission or its agents or employees at the principal office of such corporation, company, association, joint stock association, partnership and person under the jurisdiction of this commission until this commission has approved of the transfer of its or their property.

293.2 Notice of transfer.

No such accounts, books, contracts, records, documents and papers shall be transferred from the principal office of such corporation, company, association, joint stock association, partnership and person under the jurisdiction of this Commission until notice of such transfer has been filed, in accordance with the requirements of § 3.5 of this Title, to the Commission and approval thereof granted.

PART 294
CONTINUING PROPERTY RECORDS--GAS CORPORATIONS
(Statutory authority: Public Service Law, § 66)

Sec. 294.1 Corporations affected

294.2 Requirements of continuing property records

294.3 Filing of proposed record units

294.4 Completion of continuing property records

294.5 Certain records required

294.6 Original cost defined

294.7 Amounts charged in previous years to operating expenses

294.1 Corporations affected. Every gas or gas and electric corporation having annual gas operating revenues of $100,000 or over shall establish, provide and maintain continuing property records of its property used wholly or partly in gas operations.

294.2 Requirements of continuing property records.

Such continuing property record shall comply with the following requirements:

(a) Such record shall be divided into continuing property record units which shall be arranged to conform with the operating property or the fixed capital accounts and shall include a description of each of such units.

(b) The original cost of each of such units shall be set forth provided that in those cases where the original cost cannot be ascertained without unreasonable expense, such original cost shall be estimated.

(c) Except as otherwise provided herein, there shall be shown for property hereafter installed, and for present property so far as can be ascertained, either in such record or in supporting data thereto, for each of such units, the date when charged to operating property or fixed
capital, the location of the property, the manufacturer's name and any number or other identification mark imprinted thereon, the accounting company number or designation, and such other description as may be necessary to plainly identify the property and the associated original cost thereof.

(d) When meters or major units of gas production, holder or regulator station equipment have been retired and subsequently reinstalled, the date when such property was first charged to operating property or fixed capital shall also be shown.

(e) Such property record shall show separately the units located in each city, village or town, and in the case of New York City in each borough, and in each gas production, holder or regulator station. When a corporation desires a modification of this requirement, application should be made to the commission.

(f) There shall be shown by appropriate reference the source of all entries; and all drawings and computations and other detail records, supporting either the quantities or the cost included in the continuing property record, shall be retained.

(g) The original cost of each parcel of land and each structure owned in fee shall be set forth and no further subdivision need be shown.

(h) The original cost of easements for right of way shall be separately set forth for each transmission line.

(i) Property consisting of a large number of similar units may be grouped and only the average unit cost need be set forth for similar units of each size installed during a calendar year, except that for gas meter installations separate unit costs need not be set forth for each year of installation.

294.3 Filing of proposed record units. Every gas or gas and electric corporation affected by this Part shall file on or before February 1, 1937 a statement setting forth the continuing property record units proposed to be used in its continuing property record.

294.4 Completion of continuing property records. (a) The continuing property record herein ordered to be established shall be completed as to property installed prior to January 1, 1937 on or before December 31, 1937. When a corporation desires a modification of this requirement, application should be made to the commission or before November 1, 1937.

(b) Upon the completion of the continuing property record of property acquired prior to January 1, 1937, notice shall be given this commission.

294.5 Certain records required. (a) Each corporation affected by this Part shall keep such records of property and property retirements as will reflect, so far as practicable, the service life of all property retired, and will permit the determination of the age of all existing property; and also such records as will reflect the salvage and cost of removal of property retired from each account including property used wholly or partly in gas operations.

(b) Each such corporation shall also maintain such records supporting its books of account as are necessary to show the reserves accumulated to provide for depreciation or ultimate retirement of its property used wholly or partly in gas operations, separately for each operating
property or fixed capital account.

294.6 Original cost defined. The term original cost when used herein means the cost of such property to the person or corporation first devoting it to public service.

294.7 Amounts charged in previous years to operating expenses. Nothing herein stated shall be taken as permitting the recording in the original cost shown in the continuing property record of amounts charged in previous years to operating expenses, operating taxes or other income or surplus accounts.

PART 295
ACCOUNTS, RECORDS AND REPORTS OF GENERAL BUSINESS CORPORATIONS PROVIDING INCIDENTAL UTILITY SERVICE
(Statutory authority: Public Service Law, ñ 66)

Sec.
295.1 Petition for exemption

295.2 Action on petition

Section 295.1 Petition for exemption. Any general business corporation supplying utility service where such utility service is wholly subsidiary and incidental to its primary business and is minor in amount as compared with its nonutility operations, may submit to this commission a properly verified petition setting forth the nature and extent of both its general business and its utility business, the number of customers served, the amount of revenue received from such business, and the reasons why it is believed it is not necessary in the proper regulation of its utility operations that its accounts and records be kept pursuant to the applicable system of accounts prescribed by this commission, or that it file with this commission annual reports in the form provided for applicable utilities.

295.2 Action on petition. Upon the receipt of such a petition the commission will conduct a public hearing or make such other investigation as it shall deem necessary, and if it be found that proper and adequate regulation does not require the keeping of accounts in compliance with the system of accounts applicable to corporations primarily engaged in the public utility business or the filing of the type of annual reports required to be filed by such utility corporations, the petitioning corporation may be relieved from keeping its records and accounts in accordance with the applicable system of accounts prescribed by this commission but instead be authorized to keep only such accounts as shall be directed, and may be further authorized to file such form of annual report as may be prescribed.

PART 296
PRODUCERS OF INDIGENOUS NATURAL GAS--RECORDS
(Statutory authority: Public Service Law, ñ 66-g [3])

Sec.
296.1 General rule

296.2 Filing requirements

Section 296.1 General rule. Each producer of indigenous natural gas
that sells or transports such gas to industrial or commercial users shall maintain records of the volumes of such gas sold or transported to such users. For the purposes of this section, indigenous natural gas shall mean gas produced from wells within New York State. These records shall include the name and address of the user; the person or organization to which the producer delivers the gas; and the volumes sold or transported to each user. Production which is aggregated or pooled for marketing to multiple users may be reported on a combined basis as sold or delivered to the aggregating entity.

296.2 Filing requirements. (a) Each producer of indigenous natural gas shall submit a report of gas transported or sold during each calendar year on or before the succeeding March 31st on the Annual Well Report (form 85-15-4) of the Department of Environmental Conservation.

(b) The secretary of the commission is directed to file a copy of the resolution with the Secretary of State.

SUBCHAPTER F
Uniform Systems of 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 June 16, 1970 resolution, is authorized and permitted to keep its records and accounts in conformity with the Uniform Systems of Accounts as amended commencing January 1, 1970.

PART 310 General Provisions
311 Instructions--General
312 System of Account Prescribed
313-317 (Reserved)

PART 310
GENERAL PROVISIONS
(Statutory authority: Public Service Law, ð 66 (4))

Sec.
310.1 Authorization of uniform system of accounts for Classes A and B

Section 310.1 Authorization of uniform system of accounts for Classes A and B.

(a) The uniform system of accounts for gas corporations (Classes A and B) is hereby prescribed for every gas corporation (as that term is defined in the Public Service Law) that has annual operating revenues from gas operations of $1,000,000 or more, subject to the jurisdiction of this commission; and every such gas corporation is hereby required,
by no later than January 1, 2000, to keep its records and accounts in conformity therewith.

(b) During the 12 months following the date on which the 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) 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.

(d) In the system of accounts, Commission means the Public Service Commission of the State of New York.

INSTRUCTIONS--GENERAL
(Statutory authority: Public Service Law, ñ 66 (4))

Sec.
311.1 Classification of utilities
311.2 Records

Section 311.1 Classification of utilities.

(a) For the purpose of applying systems of accounts prescribed by the commission, utilities are divided into four classes as follows:

Class A. Utilities having annual gas operating revenues of $2,500,000 or more.
Class B. Utilities having annual gas operating revenues of $1,000,000 or more, but less than $2,500,000.
Class C. Utilities having annual gas operating revenues of $150,000 or more, but less than $1,000,000.
Class D. Utilities having annual gas operating revenues of $25,000 or more, but less than $150,000.

(b) This system of accounts applies to Class A and Class B utilities. The system of accounts applicable to Class C and Class D utilities is issued separately.

(c) The class to which any utility belongs shall originally be determined by the average of its annual gas operating revenues for the last three consecutive years. Subsequent changes in classification shall be made when the annual gas operating revenues for each of the three immediately preceding years shall exceed the upper limit, or be less than the lower limit, of the annual gas operating revenues of the classification previously applicable to the utility.

Section 311.2 Records.

The books and records referred to in this section include not only accounting records in a limited technical sense, but all other records, such as minute books, stock books, reports, correspondence, memoranda, etc. that may be useful in developing the history of, or facts regarding, any transaction. All such records in the system of accounts discussed below shall be accessible, at all times, to the authorized representatives of the commission at a location within the State of New York, unless the company is specifically exempted by order of the commission.
PART 312
SYSTEM OF ACCOUNTS PRESCRIBED
(Statutory authority: Public Service Law, § 66(4))

Sec.
312.1 System of accounts prescribed
312.2 Records for territorial subdivisions
312.3 Work order and property record system required
312.4 Spreading of income, revenue, and expense items
312.5 Transportation of gas of others-distribution facilities
312.6 Gains or losses from the settlement of asset retirement obligations

Section 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, 2015), Title 18, Conservation of Power and Water Resources, Subchapter C - Accounts, Federal Power Act, Part 201, Uniform System of Accounts Prescribed for Natural Gas Companies Subject to the Provisions of the Federal Power Act. (As further described in section 10.2 (b) of these regulations).

Section 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.

Section 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.
transaction occurred.

312.5 Transportation of gas of others-distribution facilities.

Revenues from transporting gas to the utility's customers through the distribution facilities of the utility where the gas is provided by a party other than the utility shall be included in account 489.3, Transportation of Gas of Others-Distribution Facilities. Subsidiary accounts shall be maintained to break down these revenues according to the classification of accounts under the sales of electricity revenue accounts. Records shall be maintained so that the quantity of gas transported and the revenue received under each rate schedule shall be readily available.

312.6 Gains or losses from the settlement of asset retirement obligations.

Gains or losses resulting from the settlement of asset retirement obligations associated with the utility plant resulting from the difference between the amount of the liability for the asset retirement obligation included in account 230, Asset Retirement Obligation, and the actual amount paid to settle the obligation shall be accounted for as follows:

(a) gains shall be credited to account 108, Accumulated Provision for Depreciation of Gas Utility Plant; and

(b) losses should be charged to account 108, Accumulated Provision for Depreciation of Gas Utility Plant.

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

1. UTILITY PLANT
   101. Gas Plant in Service
   102. Gas Plant Purchased or Sold
   103. Experimental Gas Plant Unclassified
   104. Gas Plant Leased to Others
   105. Gas Plant Held for Future Use
   106. Completed Construction Not Classified--Gas
   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
   112. Accumulated Provision for Amortization and Depletion of Gas Plant Leased to Others
   113.1 Accumulated Provision for Abandonment of Leases
   113.2 Accumulated Provision for Amortization of Other Gas Plant Held for Future Use
114. Gas Plant Acquisition Adjustments
115. Accumulated Provision for Amortization of Gas Plant Acquisition Adjustments
117. Gas Stored Underground--Noncurrent
118.1 Common Utility Plant
118.2 Other Utility Plant
119.1 Accumulated Provision for Depreciation and Amortization of Common Utility Plant
119.2 Accumulated Provision for Depreciation and Amortization of Other Utility Plant
2. OTHER PROPERTY AND INVESTMENTS
121. Nonutility Property
122. Accumulated Provision for Depreciation and Amortization of Nonutility Property
123. Investment in Associated Companies
123.1 Investment in Subsidiary Companies
124. Other Investments
125. Sinking Funds
126. Depreciation Fund
128. Other Special Funds
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
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LIABILITIES AND OTHER CREDITS
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 DEBITS
1. 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, 5 313.10(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 service. 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
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 intangible 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 to 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-first-out, 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 store 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.


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
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, ð 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, ð 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 CREDITS

5. 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.

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 long-term 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 self-insurance. 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
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   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.
   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.
   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.
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.
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.
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.
11. Dust collectors.
12. Enclosures for equipment (barriers, fire walls, guards, housings, screens, etc.).
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.
17. Generators.
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.
34. 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.
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.
10. Coal loaders.
11. Coal preparation machinery, including washing and drying
equipment.
12. Conduit, electrical.
13. Conveyors and supports.
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.
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.
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.
21. Seal and drip pots.
22. Signal system identified with equipment herein.
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.
17. Storage tanks.
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.
13. Production laboratory equipment.
14. Special signal equipment.
15. Works exhauister including driving units and governor.
16. Works station meters, including gauges, piping and accessories.

Note A: Office equipment, desks, chairs, etc., shall not he 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, ð 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, ð 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, ð 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 ð 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, ø 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, ø 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.
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 shut-in valves, bradenheads and casing heads.
7. Packing.
8. Tank, oil or water, etc.

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.
4. Derricks.
5. Drilling cables.
6. Drilling machines.
7. Engines.
8. Motors.
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. Condensors 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).
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.)

51. 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.
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.
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.
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.
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).
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.
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. Lineworkers' bridges.
12. Manholes.
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. Incidental 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.
13. 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.
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.
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.
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.
7. Shelves.
8. Swivels and bushings.

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.
4. Electrical vehicles.
5. Motor trucks.
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.
4. Elevating and stacking equipment (portable).
5. Hoists.
7. Scales.
8. Shelving.
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.
7. Cable pulling equipment.
8. Concrete mixers.
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.
17. Gasoline pumps, oil pumps, and storage tanks.
18. Greasing tools and equipment.
20. Ladders.
21. Lathes.
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.
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.
15. Specific gravity apparatus.
16. Standard bottles for meter prover testing.
17. Stills.
18. Sulphur and ammonia 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.
5. Cranes and hoists.
6. Diggers.
7. Engines.
8. Pile drivers.
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 ACCOUNTS**

1. **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
      TotalOperating 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 Income
      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, Jobbing 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

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 Retained Earnings 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 Nonutility 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.
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 interest-bearing 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
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,
ininfrequently 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,
ininfrequently 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.

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 STORAGE

A. 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
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
   A 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 ð 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 inclurable 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.
10. Waste.
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 includable 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 includable 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 includable 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 (excluding 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.
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:
10. Unslacked lime.
11. Shavings.
13. Wash oil for naphthalene scrubber.

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).
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.
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.
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.
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.
12. Delivering rental and royalty checks.
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.

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.

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.
17. Scrubber oil.
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.
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.

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.

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.

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.
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.

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.

Maintenance
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 ø 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 ð 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 ð 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 ð 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 ð 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 ð 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 ð 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 ð 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.)

Joint Expenses

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
derivables 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:
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.
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.

Materials and Expenses:
14. Line markers and warning signs.
15. Lumber, nails, etc., used in building and repairing gate boxes, foot bridges, stiles, etc.
17. Scrubber oil.
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.
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.

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.
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.

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 nonoperative 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.)

Maintenance

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. 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.

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.
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.

Materials and Expenses:
15. Consultants' fees and expenses.
17. Office supplies, stationery and printed forms.
18. Transportation: company and rental vehicles.

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.
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.

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.

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.
Materials and Expenses:
14. Line markers and warning signs.
15. Lumber, nails, etc., used in building and repairing gate boxes, foot bridges, stiles, etc.
17. Scrubber oil.
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.
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
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.
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.
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.
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.

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.
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.
  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.
   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.
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.

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, resetting, 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.
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.
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
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.
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:
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.
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.
   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.
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.
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.
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.


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 employees in cash or its equivalent subject to their free disposition. To the extent that the securities thus purchased have an actual market value, the amounts paid for them may be carried meanwhile in account 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.

ITEMS

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.

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.

ITEMS

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.
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 General Provisions
321 Instructions--General
322 Instructions--Gas Plant Accounts
323 Instructions--Operating Revenue Accounts

PART 320
GENERAL PROVISIONS
(Statutory authority: Public Service Law, § 66[4])

Sec.
320.0 Order authorizing uniform system of accounts for gas corporations
in classes C and D.
320.1 Definitions

Section 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, whether such power is exercised through one or more intermediary companies, or alone, or in conjunction with, or pursuant to an agreement, and whether such power is established through a majority or minority ownership or voting of securities, common directors, officers, or stockholders, voting trusts, holding trusts, associated companies, contract, or any other direct or indirect means.

(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.)

.INSTRUCTIONS--GENERAL

(Statutory authority: Public Service Law, ò 66(4))

Sec.
321.1 Classification of utilities
321.2 Records
321.3 Accounting period
321.4 Submission of questions
321.5 Accounting to be on accrual basis
321.6 Interpretation of lists of items
321.7 Transactions with associated companies
321.8 Depreciation accounting
321.9 Distribution of pay and expenses of employees
321.10 Accounting for other departments
321.11 Allocation of costs between gas plant and operating expenses to be made currently
321.12 Employee pensions and benefits

.Section 321.1 Classification of utilities.
(a) For the purpose of applying the system of accounts prescribed herein, utilities are divided into two classes as follows:

Class C:
Utilities having annual gas operating revenues of more than $150,000 but not more than $1,000,000. Such utilities shall keep all the accounts prescribed herein which are applicable to their operations.

Class D:
Utilities having annual gas operating revenues of more than $25,000 but not more than $150,000. Such utilities shall keep all the accounts prescribed herein which are applicable to their operations, except those accounts in which the letter D does not appear in the prefix.

(b) The class to which any utility belongs shall be determined by the average of its annual gas operating revenues for the three years next preceding the effective date of this system of accounts. If the average of its gas operating revenues for the three years ended December 31 of any year following the effective date of this system of accounts is greater than the maximum specified for the class within which the utility has therefore been included, such utility shall for the succeeding year keep the accounts prescribed for such higher class.

(c) Any utility, which because of its revenues falls within a given class, may, at its option, adopt the system of accounts prescribed for a higher class. Notice of such action shall be promptly filed with the commission.

SO DOC 16B-321.2
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321.2 Records. (a) Each utility shall so keep its books of account, and all other books, records, and memoranda which support in any way the entries in such books of account, as to be able to furnish readily full information as to any item included in any account. Each entry shall be supported by such detailed information as will permit a ready identification, analysis, and verification of all the facts relevant thereto.

(b) The books and records referred to herein include not only account records in a limited technical sense, but all other records such as minute books, stock books, reports, correspondence, memoranda, engineering records, calculations, drawings, etc., which may be useful in developing the history of or facts regarding any transaction.

(c) Except as authorized by this commission, all operating, accounting, or financial papers, records, books, invoices, stubs, maps, or documents or any papers or records which support entries to any of the accounts or which are necessary for an analysis shall be retained permanently. All such records shall be accessible, at all times, to the authorized representatives of the commission at a location within the State of New York.

(d) Subdivisions of any account in the system of accounts prescribed herein and clearing, temporary, or experimental accounts may be kept, provided that such subdivisions or additional accounts do not impair the integrity of the prescribed accounts. The titles of all subdivisions or subaccounts shall refer by number and title to the account or accounts of which they are subdivisions.

(e) All charges to the accounts prescribed in this system for gas plant, income, operating revenues and operating expenses shall be just and reasonable and any payments by the utility in excess of just and reasonable charges shall be included in account 1538, Miscellaneous Income Deductions.
The numbers prefixed to account titles are to be considered as part of the titles. Each utility may, however, adopt a different system of account numbers provided that the numbers herein prescribed shall appear in the descriptive headings of the ledger accounts. When the same account number is used in systems of accounts prescribed for different classes of operations conducted by one utility, the initial letters G, E, O, R, S, and W may be prefixed to identify the account with gas, electric, omnibus, rail line, steam heating, or water, respectively. Accounts for common utility plant and operations shall be designated by the word "common."

321.3 Accounting period. Each utility in Class C shall keep its books on a monthly basis, so that all transactions applicable thereto, as nearly as may be ascertained, shall be entered monthly in the books of the utility. Each utility in Class D shall keep its books on either a monthly or quarterly basis; when the quarterly basis is used provisions contained herein relative to monthly entries shall be regarded as calling for quarterly entries. A trial balance shall be taken after the monthly or quarterly postings have been made, and each utility shall close its books at the end of each calendar year.

321.4 Submission of questions. To maintain uniformity of accounting, utilities shall submit questions of doubtful interpretation to the commission for consideration and decision. Utilities shall also ask for instructions, if occasion arises, regarding the accounting for such transactions as spreading over a number of months relatively large income or expense items which if included in the accounts for a single month would seriously distort the accounts; the disposition of items which relate to transactions which occurred prior to the current calendar year but which were not recorded in the books of account in the prior year and which are relatively so large that inclusion in the accounts for a single year would seriously distort the accounts; and expenditures for replacement of units of property leased from others. Ordinary delayed items shall be charged or credited to the same accounts which would have been charged or credited if the items had not been delayed.

321.5 Accounting to be on accrual basis. (a) The utility is required to keep its accounts on the accrual basis. This requires the inclusion in its accounts on an estimated basis of all known transactions of appreciable amount which affect the accounts, even though bills covering such transactions have not been received or rendered. When the bills are received or rendered, appropriate adjustments shall be made.

(b) Also when payments are made for items such as insurance, rents, taxes, or interest, the amount applicable to future periods shall be charged to account 1132, Prepayments, and spread over the periods to which applicable by credits to account 1132, Prepayments, and charges to the accounts appropriate for the expenditure.

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

321.7 Transactions with associated companies. (a) Each utility shall so keep its accounts and records as to be able to furnish accurately and expeditiously statements of all transactions with associated companies, showing the general nature of the transactions, the amounts involved therein and the amounts included in each account prescribed herein with respect to such transactions.

(b) Dividends, rebates, or earnings, from associated companies or mutual service companies representing refunds of the excess charges made by such companies over the cost to them, shall be cleared through account 1901, Charges by Associated Companies--Clearing, and shall be credited so far as practicable to the same accounts to which the corresponding charges were made, including proper distinction between construction and operating expenses. Credits applicable to operating expenses which it is impracticable to allocate among the accounts to which the corresponding charges have been made, shall be to account 1806, Duplicate Charges--Credit.

321.8 Depreciation accounting.

(a) Depreciation, as applied to gas plant, means the net loss in service value not restored by current maintenance, incurred in connection with the consumption or prospective retirement of gas plant in the course of service from causes which are known to be in current operation and against which the utility is not protected by insurance. Among the causes to be given consideration are wear and tear, decay, action of the elements, exhaustion of natural resources, inadequacy, obsolescence, changes in the art, changes in demand, and requirements of public authorities.

(b) Each utility shall record each month (see also general instruction § 321.3) the estimated amount of depreciation on gas plant accrued during that month, by crediting the appropriate subdivision of account 1250, Reserve for Depreciation of Utility Plant, and charging the accounts for the depreciation expense as follows:

<table>
<thead>
<tr>
<th>Account in Which Gas Plant is Included</th>
<th>Subdivision of Account Credited</th>
<th>Account to be Charged</th>
</tr>
</thead>
<tbody>
<tr>
<td>1101 Gas Plant in Service</td>
<td>1250.1 Reserve for Depreciation of Gas Plant in Service</td>
<td>1503 Depreciation</td>
</tr>
<tr>
<td>1102 Gas Plant Leased to Others</td>
<td>1250.2 Reserve for Depreciation of Gas Plant Leased to Others</td>
<td>1505.2 Expenses of Gas Plant Leased to Others</td>
</tr>
<tr>
<td>1104 Gas Plant Held for Future Use</td>
<td>1250.4 Reserve for Depreciation of Gas Plant Held for Future Use</td>
<td>The question to be submitted to the Commission</td>
</tr>
<tr>
<td>1106 Unclassified Gas Plant</td>
<td>1250.6 Reserve for Depreciation of Unclassified Gas Plant</td>
<td>1503 Depreciation</td>
</tr>
</tbody>
</table>

Note A: To the extent that any gas property is used in construction, the depreciation thereon shall be charged to account 1103, Construction Work in Progress; if clearing accounts are used, depreciation of plant
(except structures) the maintenance and operation of which are charged to clearing accounts, shall be charged to such clearing accounts.

Note B: The accounting for depreciation of utility plant in other departments carried in account 1108, Other Utility Plant, which are subject to regulations by the commission shall be in accordance with the effective system of accounts applicable to such operations.

Note C: Depreciation accruals on "Common" plant (see note B under Utility Plant) shall be currently distributed on an equitable basis to the departments making use thereof; the reserve applicable to common plant shall be carried by Class C utilities in subdivisions of account 1250, Reserve for Depreciation of Utility Plant, applicable to the plant account wherein the common plant is carried.

Note D: See also account 1250, Reserve for Depreciation of Utility Plant, and gas plant instruction section 322.2.

. SO DOC 16B-321.9

321.9 Distribution of pay and expenses of employees. (a) The charges to gas plant, operating expense and other accounts for services and expenses of employees engaged in activities chargeable to various accounts, such as construction and operations (or in more than one type of gas operation, such as production and distribution) shall be based upon the actual time engaged in the respective classes of work, or, in case that method is impracticable, upon the basis of a study of the time actually engaged during a representative period.

(b) The pay and expenses of general officers shall be charged to the actual work on which they are engaged, to the particular operations over which they have direct supervision, or if their jurisdiction is over the entire gas operation, to the appropriate accounts provided in the Administrative and General group in operating expenses.

(c) Except as otherwise specifically provided in this system of accounts or by order of the commission, no amounts for salaries or wages shall be included in charges to gas plant, cost of removal, or gas operating expenses, except employees' welfare and pension expenses includible in account 1800, Other General Expenses, which are not paid to employees affected subject to their free disposition. Payroll deductions made under a statute or order of a court; or for such purposes as group insurance, purchase of appliances or homes, etc., authorized by written order of the employee without coercion of any kind, may be included.

. SO DOC 16B-321.10

321.10 Accounting for other departments. This system of accounts is designed for use by gas utilities. If the utility, in addition to its gas operations, operates other departments, such as electric or steam, it shall keep such accounts for the other departments as may be prescribed by this commission, and in the absence of prescribed accounts, it shall keep such accounts as are proper or necessary to reflect the results of operating each such other department. It is not intended that proprietary and similar accounts which apply to the utility as a whole shall be departmentalized. (See also general instruction ò 321.2, subd. (f).)

. SO DOC 16B-321.11

321.11 Allocation of costs between gas plant and operating expenses to be made currently. Each utility shall determine currently the cost which are applicable to the gas plant accounts and in the case of costs involving allocations, the amount which is applicable to other accounts,
such as operating expenses, taxes, depreciation reserve (cost of plant removal), other balance sheet accounts, and income or surplus accounts; the intent of this provision being that such costs shall be allocated to the accounts to which they are applicable when they are incurred.

321.12 Employee pensions and benefits. (a) All cost of employee pensions and benefits, whether such costs represent pensions payable currently to retired employees or their beneficiaries, advance provision for future payments, or both, are includible in the charges of each accounting period, provided: (1) the pension program under which the costs are determined is reasonable, (2) amounts paid are irrevocably dedicated to pension purposes, and (3) any program of systematic advance provision is based on actuarial studies or other recognized and acceptable systematic method of computation and allocation. Pension payments and accruals are includible in account 1800, Other General Expenses; however, a utility may distribute to construction and retirement projects and to clearing and other accounts an applicable portion of the pension and benefits costs.

(b) No charge shall be made to any account in this system of accounts to reflect the advance provision for employee pension and benefits costs or to augment incomplete provision at a given date for amounts computed in relation to service prior to that date, unless full particulars of the program shall have been filed with the commission together with copies of supporting documents. Filings shall be promptly made also of any material changes in pension or other benefits programs, subsequent to the initial presentation to the commission. Acceptance by the commission of such data, as filed, shall not be interpreted as constituting approval of a pension and employee benefits program, or of documents associated therewith, or of any accounting made thereunder by the utility.

(c) The utility shall keep supporting records which will disclose as of the end of each accounting period:
   (1) the amounts disbursed by the company during the period direct to pensioners or their beneficiaries;
   (2) the amounts paid into the fund dedicated to future pension payments; and for each of such classes of disbursements, the accumulated total from the beginning of the year;
   (3) the amount accumulated in the pension fund as provision for future pension payments; and
   (4) at each year end the amount by which pension commitments under the plan as then in effect, even though subject to future amendment or termination, computed in relation to employee service to that date, (generally the "actuarial liability") exceed the amount in the pension fund.
322.6 Work orders system required (Class C utilities only)

322.7 Transfer of property

322.8 Expenditures on property leased for use in gas operations

Section 322.1 Gas plant to be recorded at original cost. (a) All amounts included in subaccounts 1301-1390 of accounts 1101 to 1104 for gas plant (except as otherwise provided in account 1302, Franchises and Consents) shall be the original cost (see § 320.1, subd. (a)(9)) of such gas plant. (See also paragraphs B and C of account 1106.)

(b) When the term cost is used in the detailed gas plant accounts (1301-1390), it shall mean the original cost unless otherwise specified and shall include not only the materials, supplies, labor, services and other items consumed or employed in the construction and installation of gas plant, but also the cost of preliminary studies, plans, surveys, engineering, supervision, and general expenses, which contribute directly and immediately to gas plant without duplication of such costs.

(c) When the consideration given for property is other than cash, the value of such consideration shall be determined on a cash basis. In the entry recording such transaction the actual consideration shall be described with sufficient particularity to identify it. The utility shall be prepared to furnish the commission the particulars of its determination of the cash value of the consideration, if other than cash.

(d) When property is purchased under a plan involving deferred payments, no charge shall be made to the gas plant accounts for interest, insurance, or other expenditures occasioned solely by such form of payment.

(e) Gas plant contributed to the utility or constructed by it from contributions to it of cash or its equivalent shall be charged to the gas plant accounts at cost (see § 320.1, subd. (a)(6)) to the utility (i.e., original cost less the portion thereof contributed by or on behalf of customers). Records shall be kept so that the utility can readily furnish information as to the source, purpose, and amount of each contribution, the property to which each contribution relates, and the conditions, if any, upon which each contribution was made.

Note: Amounts received for construction which are ultimately to be refunded, wholly or in part, shall be credited to account 1241, Customer Advances for Construction. When the amount to be refunded has been finally determined, the balance, if any remaining in account 1241 shall be debited thereto and credited to the gas plant accounts to which the cost of the property was charged.

Section 322.2 Additions and retirements of gas plant. (a) For the purpose of avoiding undue refinement in accounting for additions to and retirements and replacements of gas plant, all property shall be considered as consisting of (1) units of property or retirement units and (2) minor items. Units of property means those items of gas plant which are sufficiently distinct or important so that when they are retired with or without being replaced by other units of the same type or use, they are accounted for by crediting the amount at which they are carried on the books to the gas plant account in which included. All other items are to be considered as minor items. These retirement units should not be confused with continuing property record units filed by Class C utilities; the latter are units for which the cost will be shown.
separately in the continuing property records. Whenever units of property are mentioned in this system of accounts, the term refers to retirement units and not to continuing property record units. Each utility may adopt its own list of units of property for the purpose of this instruction until such time as the commission shall prescribe a list of units.

(b) Units of property. (1) When a unit of property is added to gas plant, the cost thereof shall be added to the appropriate gas plant account.

(2) When a unit of property is retired from gas plant (i.e., is removed, sold, abandoned, destroyed or otherwise ceases to be used or useful in gas service), whether or not replaced by another unit of the same type or use, the amount at which it is carried on the books shall be credited to the gas plant account in which it is included (determined in the manner set forth in subd. (d), below) and charged to the depreciation reserve provided for such property.

(c) Minor items of property. (1) When a minor item of property which does not replace a similar item is added to gas plant, the cost thereof shall be charged to the appropriate maintenance account and no entry shall be made in the gas plant or depreciation reserve accounts.

(2) When a minor item is retired and replaced independently of the unit of property of which it is a part, the cost of replacement shall be charged to the appropriate maintenance account and no entry shall be made in the gas plant or depreciation reserve accounts.

(3) When a minor item the book cost of which does not exceed $50 is retired and not replaced, if the book cost of such minor item is included with or spread over one or more units of property so that it will be accounted for through the retirement of such one or more units of property, no separate credit to the gas plant account shall be made; otherwise, however, the book cost of such minor item shall be credited to the appropriate gas plant account and charged to account 1250, Reserve for Depreciation of Utility Plant.

Note: For example, if a given length of main, including all fittings, valves, drip pots, etc., is a unit and the cost of such section of main includes the cost of the valves, drip pots, etc., no separate credit to the plant account shall be made when a drip pot or valve (the book cost of which is less than $50) is retired even though not replaced. Any labor in connection with the removal shall be charged to the appropriate maintenance account, and any salvage for material recovered shall be credited to the appropriate maintenance account.

(d) Determination of amount to be credited to plant accounts. Gas plant retired shall be credited to the plant accounts at the amount at which such property is included therein, including all components of construction costs, such as engineering, supervision, interest and taxes during construction, etc. The amount shall be determined from the utility's records and if this can not be done, it shall be estimated. When it is impracticable to determine the amount carried on the books for each item, due to the relatively large number or small cost thereof, the average of such items, with due allowances for any differences in size, character, and year of installation (if known), shall be used.

(e) Land retired. When land is retired the amount at which it is carried on the books shall be credited to the appropriate land account. If the land is sold, the difference between the amount at which it is carried on the books and the sale price of the land (less commissions
322.3 Components of construction cost. (a) The cost of construction properly includible in the gas plant accounts shall include, when applicable, and when actually incurred, the cost of contract work, labor, materials and supplies, transportation, engineering and supervision, law expenditures, compensation and other insurance and injuries and damages applicable to construction, taxes and interest during construction, permits and privileges, use of construction facilities, cost of keeping construction records, and other analogous elements applicable to the construction and acquisition of gas plant. The costs includible in the principal items are:

1. Contract work includes amounts paid for work performed under contract by other companies, firms, or individuals, costs incident to the award of such contracts, and the inspection of such work. The cost of work performed by the utility on projects when part of the work is performed by the utility itself and part is performed by others under contract shall be included as labor, materials, transportation, general administration, engineering services, etc.

2. Labor includes the pay and expenses of employees of the utility engaged on construction work, and also workmen's compensation insurance, payroll taxes and similar items of expense.

3. Materials and supplies includes the purchase price at the point of free delivery plus customs duties, excise taxes, the cost of inspection, loading and transportation, the related stores expenses and the cost of fabricated materials from the utility's shop. In determining the cost of materials and supplies used for construction, proper credit shall be made for unused materials and supplies, for materials recovered from temporary structures used in performing the work involved, and for discounts allowed and realized in the purchase of materials and supplies.

4. Transportation includes the cost of transporting employees, materials and supplies, tools, purchased equipment, and other work equipment (when not under own power) to and from points of construction. It includes amounts paid to others as well as the cost of operating the utility's own transportation equipment.

5. Engineering and supervision includes the portion of the pay and expenses of general officers, engineers, surveyors, draftsmen, inspectors, superintendents and their assistants applicable to construction work and the amounts paid to other companies, firms or individuals engaged by the utility to plan, design, prepare estimates, supervise, inspect, or give general advice and assistance in connection with construction work.

6. Law expenditures includes the general law expenditures incurred in connection with construction and the court and legal costs directly related thereto.

7. Interest during construction includes the net cost of borrowed funds used for construction purposes and a reasonable rate upon the utility's own funds when so used. Interest during construction shall be charged to the individual job upon which the funds are expended and shall be credited to account 1536, Interest Charged to Construction--Credit. The period for which interest may be capitalized shall be limited to the period of construction. No interest shall be
included in these accounts upon expenditures for construction projects which have been abandoned.

(8) Taxes during construction includes taxes on physical property (including land) during the period of construction and other taxes properly includible in construction costs before the facilities become available for service.

Note: The cost of property includes the cost of preliminary surveys and studies and the cost of preparing plans and specifications at the time of construction for construction projects which are undertaken, and also the cost of keeping the construction accounts during the construction period, together with the cost of maps, books, files and other systems employed and permanently preserved in support of such construction costs.

The cost of property does not include the cost incurred subsequent to the construction period of preparing, installing or maintaining maps, inventories, accounting and other financial records of property for use in the operation of a constructed plant, the cost of the preparation of inventories, appraisals, or other studies, nor costs incurred in the establishment or revision of accounting routine.

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322.4 Land and land rights. (a) Land and land rights (accounts 1310, 1360 and 1370) means land owned in fee by the utility and rights, interests, and privileges held by the utility in land owned by others, such as leaseholds, easements, natural gas rights, rights of way, and other like interests in land.

(b) Separate entries shall be made for the acquisition, transfer, or retirement of each parcel of land, and each land right, or gas right, having a life of more than one year. A record shall be maintained showing the nature of ownership, full legal description, area, map reference, purpose for which used, city, village, county, and tax district in which situated, from whom purchased or to whom sold, payment given or received, other costs, contract date and number, date of recording deed, book and page of record. Entries transferring or retiring land or land rights shall refer to the original entry recording its acquisition.

(c) Entries to the gas plant accounts for limited-term interests in land shall make specific reference to the lease, contract or arrangement under which each interest is held or used, together with a concise statement of the terms of the lease, contract or arrangement.

(d) The cost of buildings and other improvements (other than public improvements) shall not be included in the land accounts. If at the time of acquisition of an interest in land such interest extends to buildings or other improvements (other than public improvements), which are then devoted to gas operations, the land and improvements shall be separately appraised and the cost allocated to land and buildings or improvements on the basis of the appraisals. If the improvements are removed or wrecked without being used in gas operations, the cost thereof and the cost of removing or wrecking shall be charged and the salvage credited to the account in which the cost of the land is recorded.

(e) The principal items to be included in the accounts for land and land rights are as follows:

(1) Bulkheads, not requiring maintenance or replacement

(2) Cost of acquisition of land including mortgages and other liens assumed (but not subsequent interest thereon after the property is
placed in service)
(3) Clearing (first cost) the land of brush, trees and debris; and also tree trimming (first cost) when not chargeable to other gas plant accounts
(4) Condemnation proceedings, including court and counsel costs
(5) Consents and abutting damages, payment for
(6) Conveyancers' and notaries' fees
(7) Fees, commissions, etc., to brokers, agents and others in connection with the acquisition of the land or land rights
(8) Grading the land, except when directly occasioned by the building of a structure
(9) Leases, cost of voiding upon purchase to secure possession of land
(10) Removing, relocating, or reconstructing property of others, in order to acquire quiet possession
(11) Special assessments levied by public authorities for public improvements on the basis of benefits for new roads, new bridges, new sewers, new curbing, new pavements, and other public improvements, but not taxes levied to provide for the maintenance of such improvements
(12) Surveys in connection with the acquisition
(13) Taxes assumed, accrued to date of transfer of title
(14) Title, examining, clearing, insuring, and registering in connection with the acquisition, and defending against claims relating to the period prior to the acquisition

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322.5 Structures and improvements. (a) Structures and improvements (accounts 1311, 1361 and 1371) means all permanent buildings and structures to house, support or safeguard property or persons, and improvements of a permanent character on or to land, including all fixtures permanently attached to and made a part of buildings or structures and which can not be removed therefrom without cutting into the walls, ceilings or floors, or without in some way impairing the buildings.

(b) Structures and improvements are of two types: Buildings and Other Structures. The principal items includible under "Buildings" are:
(1) Architects' plans
(2) Ash pits (when located within the building proper)
(3) Boilers, furnaces, piping, wiring, fixtures and machinery for heating, lighting, signaling, ventilating and plumbing
(4) Bulkheads, including dredging, riprap fill, piling, decking, concrete, fenders, etc., when exposed and subject to maintenance and replacement
(5) Chimneys
(6) Coal bins and bunkers
(7) Commissions and fees to brokers, agents, architects and others
(8) Conduit
(9) Damages to abutting property during construction
(10) Door checks and door stops
(11) Drainage and sewerage systems
(12) Elevators, cranes, hoists, etc., and the machinery for operating them, when not specifically provided for in other accounts
(13) Excavation, including shoring, bracing, bridging, refill, and disposal of excess excavated material
(14) Fire protection systems when forming a part of a structure
(15) Floor covering (permanently attached)
(16) Foundations and piers for machinery, constructed as a permanent part of a building or other item listed herein.
(17) Grading when directly occasioned by the building of a structure.
(18) Leases, voiding, upon purchase, to secure possession of structures.
(19) Leased property, expenditures on (See gas plant instruction ó 322.8.)
(20) Lighting fixtures and outside lighting systems.
(21) Painting, at time of construction.
(22) Partitions, including movable.
(23) Permits and privileges.
(24) Platforms, railings, and gratings when constructed as a part of a structure.
(25) Power boards for services to a building.
(26) Refrigerating systems for general use.
(27) Retaining walls.
(28) Scales, connected to and forming a part of a structure.
(29) Screens.
(30) Sprinkling systems.
(31) Stacks--brick, steel, or concrete, when set on foundation forming part of general foundation and steel work of a building.
(32) Storage facilities constituting a part of a building.
(33) Storm doors and windows.
(34) Subways, areaways, and tunnels directly connected to and forming part of a structure.
(35) Tanks constructed as part of a building when not includible in another account.
(36) Tunnels, intake and discharge, when constructed as part of a structure.
(37) Vaults constructed as part of a building.
(38) Water supply system for a building.
(39) Window shades and ventilators.
(c) Items not included in buildings:
(1) Do not include in the cost of buildings any lighting, heating, or other fixtures temporarily attached for purposes of display or demonstration.
(2) The cost of specially provided foundations not expected to outlast the machinery or apparatus for which provided, and the cost of angle irons, castings, etc., installed at the base of an item of equipment, shall be charged to the same account as the cost of the machinery, apparatus, or equipment.
(3) Minor buildings and structures, such as those located at natural gas wells or which house compressor equipment or other apparatus at booster stations located on natural gas lines, telephone stations, etc., shall be considered a part of the facility in connection with which constructed or operated and the cost thereof shall be accounted for accordingly.
(4) When furnaces and boilers are used primarily for furnishing steam for some particular department and only incidentally for furnishing steam for heating a building and operating the equipment therein, the entire cost of such furnaces and boilers shall be charged to the appropriate equipment account, and no part to the building account.
(d) Items includible under other structures:
(1) Athletic field structures.
(2) Docks
(3) Fences and fence curbs (not including protective fences isolating individual items of equipment, which should be charged to the appropriate equipment account)
(4) Holders, relief
(5) Holders, waterless, including steel structure, piston, elevators, cost of first tar seal, tar apparatus and tar storage tanks, stairways, etc.
(6) Holders, waterseal, including tank construction, water holder lifts, framework, stairways and heating equipment
(7) Inlet and outlet lines to holders and storage tanks, including inlet and outlet valve pits and drip pumps
(8) Infra-site communication system poles, pole fixtures, wires and cables
(9) Landscaping, lawns, shrubbery, etc.
(10) Roadways, railroads, bridges, and trestles, intra-site, except railroads provided for in equipment accounts
(11) Sewer systems for general use
(12) Sidewalks, curbs and streets constructed by the utility
(13) Tanks when constructed as distinct structural units, including high pressure gas storage tanks
(14) Water front improvements
(15) Water supply piping, hydrants and wells
(16) Wells into which gas is pumped for storage
(17) Yard drainage systems
(18) Yard lighting systems
(19) Yard surfacing, gravel, concrete, or oil

322.6 Work order system required (Class C utilities only). (a) Each utility shall record all changes, such as installations, additions, retirements or replacements in gas plant used wholly or partly in gas operations by means of a work order or job order system. Such work orders and supporting records shall be permanently preserved.

(b) All installations, additions, retirements, or replacements shall be covered by work orders. Standing work orders may be used for projects of less than $250 each, such as for mains, services, and meters.

(c) The work order shall include the following particulars:

(1) A work order number

(2) A description and the location of the work to be done (or the purchase to be made), the dates between which such work (or purchase) is to be accomplished, the date when the work was begun and the date when finished, the estimated cost of the project, together with maps, plans, diagrams, specifications, etc., applicable to the project

(3) The accumulated charges applicable to each particular job or project and the total cost of the completed project; the cost of removal shall also be shown. When any project involves charges to more than one account, the work order shall be so kept as to show the amount chargeable to each account. Every charge or credit on work orders shall refer to the voucher, journal, or other source from which the entry therein was made.

(d) The cost of completed projects shall be promptly transferred to the accounts to which chargeable.

Note: 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
which satisfies the commission that the system which 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.

322.7 Transfers of property. (a) When property is transferred from one account for gas plant to another, from one utility department to another, such as from gas to electric, or, in the case of Class C utilities, to or from accounts 1101, Gas Plant in Service, 1102, Gas Plant Leased to Others, and 1104, Gas Plant Held for Future Use, the transfer shall be recorded by transferring the book cost thereof from the one account, department or division to the other, and likewise any related amounts carried in the depreciation and amortization reserves and other accounts shall be transferred in accordance with the segregation of such reserves and other accounts. When property (except customers' meters and house regulators) in connection with which installation costs have been incurred is physically transferred it shall be accounted for as provided in gas plant instruction section 322.2.

(b) When property subject to depreciation is transferred from the gas plant accounts to account 1110, Other Physical Property, the transfer shall be accomplished by crediting the gas plant accounts and charging the depreciation reserve with the book cost of the item transferred; the depreciation reserve shall then be credited and account 1110, Other Physical Property, charged with the fair value of the property transferred.

322.8 Expenditures on property leased for use in gas operations. (a) The cost of additions and betterments, excluding replacements by lessee of units of property installed by lessor, to property leased from other shall be charged to separate subdivisions of the gas plant accounts appropriate for the class of property leased. Depreciation thereon shall be computed on a basis consistent with the duration of the lease.

(b) The cost of initial repairs and rearrangements to adapt the property for use in gas operations shall be charged to a subdivision of account 1132, Prepayments, and amortized over the life of the lease through credits to that account with concurrent debits to the rent account appropriate for the class of property involved.

(c) If, in the case of leased property, replacements of units of property installed by the lessor become necessary, the utility shall make application to the commission for instructions regarding the accounting procedure to be followed and shall submit full particulars of the nature and extent of the replacements.

(d) When expenditures on property leased from others for use in gas operations are relatively minor, or the period of the lease is less than one year, the cost shall be charged to the account appropriate for the cost of repairs of such plant.
Section 323.1 Purpose of operating revenue accounts. The operating revenue accounts (1600 to 1615) are designed to show the amounts of money which the utility becomes entitled to receive from furnishing gas utility service and from service incidental thereto, including amounts for services rendered but not yet billed when the utility exercises its option to record in account 1133, Miscellaneous Current and Accrued Assets, such accrued gas revenue.

Section 323.2 Basis of credits to operating revenue accounts. Credits to the operating revenue accounts shall be made on the basis of the net tariff rates. Discounts forfeited for delayed payments shall be credited to account 1612, Customers' Forfeited Discounts. Corrections of overcharges and overcollections theretofore credited, authorized abatements and allowances, and other corrections shall be charged to the revenue accounts to which they relate.

Section 323.3 Commissions on gas sales. If the utility distributes all or a part of its gas through an agent but the sales are made to customers under rate schedules filed by the utility, the utility shall credit its revenue accounts with the full amount of sales to customers. The commission paid to the agent shall be charged to account 1800, Other General Expenses, and any distribution expenses charged by the agent shall be debited to the appropriate expense accounts. Agents shall credit the amount of commissions earned to operating revenue account 1615, Miscellaneous Gas Revenues.

Section 323.4 Gas supplied without direct charge. Gas supplied to municipalities, or to other governmental units, without charge, in accordance with franchise and similar requirements, shall be charged to account 1805, Franchise Requirements, and credited concurrently to account 1806, Duplicate Charges--Credit.

Section 323.5 Gas or steam used by utility. (a) If the utility desires to charge the appropriate accounts in any of its gas operations with the cost of gas or steam used from its own supply, the credit therefor shall not be made to operating revenue accounts, but to account 1806, Duplicate Charges--Credit. (See also account 1752, Natural Gas Production--Credit.) (b) Gas supplied by the utility from its own supply to other departments shall be credited to account 1607, Interdepartmental Sales. The accounting for steam supplied from the manufactured gas production plant for purposes other than the production of manufactured gas shall be as provided in account 1728, Steam Produced--Credit.

Section 323.6 Supporting records. Each utility shall so keep the records supporting the entries to each gas sales account that it can furnish: (a) the name of each customer, (b) the quantity of gas furnished to each customer, (c) the amount charged for gas furnished each customer,
(d) the service classifications under which the charge is made. Each utility shall also be prepared to report upon request, within a reasonable time, for each month or other billing period and for each year, the quantity of gas sold and the charges therefor, by service classifications.

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ACCOUNTS

BALANCE SHEET ACCOUNTS

ASSETS AND OTHER DEBITS

Utility Plant
  D  1100. Gas Plant
  C  1101. Gas Plant in Service
  C  1102. Gas Plant Leased to Others
  C  1103. Construction Work in Progress
  C  1104. Gas Plant Held for Future Use
  D C  1105. Gas Plant Acquisition Adjustments
  D C  1106. Unclassified Gas Plant
  D C  1108. Other Utility Plant

Investment and Fund Accounts
  D C  1110. Other Physical Property
  D C  1114. Miscellaneous investments and Special Funds

Owing by Associated Companies
  D C  1115. Owing by Associated Companies

Current and Accrued Assets
  D C  1120. Cash and Working Funds
  D C  1124. Notes Receivable
  D C  1125. Accounts Receivable
  D C  1131. Materials and Supplies
  D C  1132. Prepayments
  D C  1133. Miscellaneous Current and Accrued Assets

Deferred Debits
  D C  1140. Unamortized Debt Discount and Expense
  D C  1146. Miscellaneous Deferred Debits

Capital Stock Expense
  D C  1151. Capital Stock Expense

Reacquired Securities
  D C  1152. Reacquired Capital Stock
  D C  1153. Reacquired Long-term Debt

LIABILITIES AND OTHER CREDITS

Capital Stock
  D C  1200. Common Capital Stock
  D C  1201. Preferred Capital Stock
  D C  1203. Premiums and Assessments on Capital Stock
  D C  1205. Installments Received on Capital Stock

Non-corporate Proprietorship
  D C  1206. Non-corporate Proprietorship

Long-term Debt
  D C  1210. Bonds
  D C  1211. Receivers' Certificates
  D C  1213. Miscellaneous Long-term Debt

Debts to Associated Companies
  D C  1214. Debts to Associated Companies

Current and Accrued Liabilities
  D C  1220. Notes Payable
D C 1221. Notes Receivable Discounted  
D C 1222. Accounts Payable  
D C 1224. Dividends Declared  
D C 1225. Matured Long-term Debt  
D C 1227. Customers' Deposits  
D C 1228. Taxes Accrued  
D C 1229. Interest Accrued  
D C 1230. Other Current and Accrued Liabilities  
Deferred Credits  
D C 1240. Unamortized Premium on Debt  
D C 1241. Customer Advances for Construction  
D C 1242. Other Deferred Credits  
Reserves  
D C 1250. Reserve for Depreciation of Utility Plant  
D C 1252. Reserve for Amortization of Gas Plant Acquisition  
Adjustments  
D C 1254. Reserve for Uncollectible Accounts  
D C 1255. Reserve for Insurance, Injuries and Damages  
D C 1258. Miscellaneous Reserves  
Contributions in Aid of Construction  
D C 1265. Contributions in Aid of Construction  
Surplus  
D C 1271. Surplus  

ASSETS AND OTHER DEBITS  
UTILITY PLANT  
Note A: In accounts 1101, 1102, and 1104 for gas plant are to be carried the totals of the detailed plant accounts 1301-1390 in which the utility's plant is required to be carried on the utility's plant ledger.  
Note B: If the utility is engaged in more than one utility service, such as gas, electric or steam, and any of its utility plant is used in common for several utility services or for other services, the original cost of such plant may be carried in a separate subdivision of the plant accounts, where the word "Common" shall be suffixed to designate such property as common.  
D 1100. Gas Plant  
This account shall include items provided for in accounts 1101 to 1104.  
C 1101. Gas Plant in Service  
This account shall include the original cost of gas plant owned and used and useful by the utility in the service of the public in its gas operations. The original cost of such plant not owned, including additions to and betterments of property leased from others, shall be included in separate subdivisions of this account. (See gas plant instruction 6 322.8.)  
C 1102. Gas Plant Leased to Others  
This account shall include the original cost of gas plant owned by the utility and leased to others as operating units or systems when the lessee has exclusive possession, such as an entire production plant, distribution system, or office building.  
C 1103. Construction Work in Progress  
This account shall include the expenditures on gas plant in process of construction but not ready for service at the date of the balance sheet.  
C 1104. Gas Plant Held for Future Use  
This account shall include the original cost of gas plant owned and
held for future use in gas service under a definite plan for such use. This includes property acquired but never used by the utility in gas service, but held for such service in the future under a definite plan, and property previously used by the utility in gas service, but retired from such service and held pending its reuse in gas service in the future under a definite plan.

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

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

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

D C 1105. Gas Plant Acquisition Adjustments

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

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

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

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

D C 1106. Unclassified Gas Plant

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

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

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

D. There shall also be included in a separate subdivision of this account (1) the cost of gas plant acquired as an operating unit or system by purchase, merger, consolidation, liquidation or otherwise, pending the distribution thereof to the appropriate accounts in accordance with orders of this commission; and (2) the credit for the sale price of gas plant constituting an operating unit or system sold, conveyed or transferred to another through sale, merger, consolidation, or otherwise, pending the completion of the accounting for the transaction and an order of this commission for the accounting of such sale.

D C 1108. Other Utility Plant
A. There shall be included under this caption the balances in accounts for utility plant other than gas plant, as for example, electric, steam, etc.

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

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

INVESTMENT AND FUND ACCOUNTS

D C 1110. Other Physical Property
A. This account shall include the cost to the utility of land, structures, and equipment owned by the utility and not includible in utility plant accounts (1100-1108).

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

D C 1114. Miscellaneous Investments and Special Funds
A. This account shall include assets, such as:
(1) Investments in securities issued or assumed by others
(2) Advances to others, except advances to associated companies (see account 1115) including interest accrued thereon
(3) Assets held in sinking funds, depreciation funds, and other special funds, such as:
(a) Cash
(b) Securities issued by others or other assets, at cost except as provided in paragraphs C and D
(c) Live securities, issued or assumed by the utility, at cost
(d) Securities of the utility issued to trustees without intervening sale, at face value
(4) Special deposits for more than one year, such as for rent, performance of contracts, etc.
   B. The records shall be so kept as to show the amount of each investment and the investment advances to each person.
   C. Except as otherwise provided, the investments included in this account shall be recorded at cost at the time of acquisition. Cost does not include any amount paid for accrued interest or dividends. The utility may write down the cost of any investment in recognition of a decline in the value thereof, and if there be no reasonable prospect of substantial value it shall be written off or written down to a nominal value. Fluctuations in market value shall not be recorded but a permanent impairment in the value shall be recognized in the accounts. When investments are written off or written down the amount of the adjustment shall be charged to account 1538, Miscellaneous Income Deductions, or to account 1414, Miscellaneous Debits to Surplus, except that if a reserve has been created therefor, it shall be to such reserve account.
   D. If securities with a fixed maturity date are purchased at a discount or at a premiums, such discount or premium may be written off over the remaining life of the securities through periodic debits or credits to this account with concurrent credits or debits to account 1524, Interest Revenues.
   Note A: Securities pledged shall be so indicated.
   Note B: This account shall not include advances to or open accounts with associated companies. (See account 1115, Owing by Associated Companies.)

OWING BY ASSOCIATED COMPANIES
   D C 1115. Owing by Associated Companies
   A. This account shall include debit balances in all accounts with associated companies, and notes and drafts upon which associated companies are liable, together with interest thereon.
   B. This account shall be so kept as to show for each associated company the amounts receivable on notes separately from amounts receivable on open accounts, and the due date of each item.
   Note: The face amount of notes receivable from associated companies discounted or sold without releasing the utility from liability as endorser thereon, shall not be credited to this account, but to account 1221, Notes Receivable Discounted.

CURRENT AND ACCRUED ASSETS
   D C 1120. Cash and Working Funds
   This account shall include cash on hand and in bank and cash advanced to officers, agents, employees, and others as petty cash or working funds. Special cash deposits for payment of interest, dividends, or other special purposes shall be included in this account in separate subdivisions which shall specify the purpose for which each such special deposit is made.
   Note: Deposits for more than one year shall not be charged to this account but to account 1114, Miscellaneous Investments and Special Funds.
   D C 1124. Notes Receivable
   This account shall include the cost of all collectible obligations in the form of notes receivable and similar evidences (except interest coupons) of money due on demand or within one year from the date of issue, which are not includible in other accounts.
Note A: Notes receivable from associated companies shall not be included herein but in account 1115, Owing by Associated Companies.

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

D C 1125. Accounts Receivable
A. This account shall include amounts due on open accounts from customers for utility services (including merchandising, jobbing and contract work) and from others than customers, except amounts due from associated companies.
B. Utilities shall subdivide this account to show separately (1) amounts due from customers, (2) amounts due from officers and employees (except working fund advances which are includible in account 1120, but including amounts due for utility service), and (3) amounts due from others.

D C 1131. Materials and Supplies
A. This account shall include the cost of unissued small tools and unapplied materials and supplies (except meters and house regulators). The cost shall include, when practicable, the purchase price at the point of free delivery, plus customs duties, excise and other taxes on purchases, freight, insurance, costs of inspection, special tests prior to acceptance, loading and unloading, transportation and other directly assignable charges.
B. If inward transportation charges on materials are not included as a part of the cost of the particular materials to which they relate, they shall be charged to account 1810, Stores, Shop and Laboratory Expenses, unless account 1902, Stores Expenses--Clearing, is used, in which case they shall be therein included.
C. Cash or other discounts on materials shall be deducted, when practicable, in determining the cost of the particular material, or credited to the account to which the material is charged. Discounts which are not so handled shall be credited to account 1810, Stores, Shop and Laboratory Expenses, unless account 1902, Stores Expenses--Clearing, is used, in which case they shall be therein included.
D. Materials recovered in connection with construction, maintenance, or the retirement of property which are not intended to be reused, shall be designated as "scrap" and charged to this account at amounts which it is estimated will be realized therefrom; if they are intended to be reused, they shall be charged to this account at the average price at which like materials are carried, except that large individual items of equipment, such as production plant equipment, shall be carried at original cost.
E. When materials are issued for use, this account shall be credited with either the actual cost of the material issued or the average cost of all items of the same kind and size, not including "scrap" material. Scrap material shall be credited to this account when sold or otherwise disposed of at the amount at which such materials were charged into the account. Account 1250, Reserve for Depreciation of Utility Plant, shall be adjusted for the difference between the amount charged hereto and the amount received therefor if material was recovered from retirement of
property, and the appropriate maintenance account shall be adjusted if such material was recovered on maintenance work.

F. Inventories of materials, supplies, fuel, etc., shall be taken at least annually and the necessary adjustments shall be made to bring this account into harmony with the actual inventories. In effecting the adjustments, differences shall be equitably apportioned among the accounts to which materials have been charged since the preceding inventory, or included in account 1810, Stores, Shop and Laboratory Expenses, unless account 1902, Stores Expenses--Clearing, is used, in which case they shall be therein included.

Note: Appliances held under consignment shall not be included herein, but there shall be kept a memorandum account of such appliances either at cost or at selling price, to show the appliances in stock and appliances sold.

D C 1132. Prepayments

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

B. Representative items includible herein are prepaid insurance, rents (see gas plant instruction 0 322.8), taxes and interest. The account shall be so kept or supported as to disclose the balance of each class of prepayments.

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

D C 1133. Miscellaneous Current and Accrued Assets

This account shall include the following classes of items:

(1) Interest, dividends and rents receivable, except from associated companies

(2) Estimated amounts accrued to the utility for service rendered but not billed as of the end of any accounting period (This is optional.)

(3) Cash surrender value of life insurance policies under which the utility is the beneficiary (See note to account 1800, Other General Expenses.)

(4) Other assets not includible in accounts 1120 to 1132, or 1115, which are readily convertible into cash or are held for current use in operations or construction

DEFERRED DEBITS

D C 1140. Unamortized Debt Discount and Expense

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

B. When discount and expenses are incurred on an issue of long-term debt (see 0 320.1, subd. (a)(8)) or when expenses on an issue are
greater than the premiums on such issue, the amount thereof shall be included in this account. A separate subdivision shall be kept for each class and series of long-term debt.

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

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

D C 1146. Miscellaneous Deferred Debits

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

(1) Expenditures for preliminary surveys, plans, investigations, etc., made for the purpose of determining the feasibility of projects under contemplation. If construction results, this account shall be credited with the amount applicable thereto and the appropriate gas plant accounts shall be charged with an amount which does not exceed the expenditures which may reasonably be determined to contribute directly and immediately and without duplication to gas plant. If the work is abandoned, the charge shall be to account 1538, Miscellaneous Income Deductions, or account 1414, Miscellaneous Debits to Surplus, unless otherwise authorized or directed by this commission.

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

(3) Undistributed balances in clearing accounts (see accounts 1901 to 1905) at the date of the balance sheet. Balances in clearing accounts shall be substantially cleared not later than the end of the calendar year unless items held therein relate to a future period.

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

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

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

CAPITAL STOCK EXPENSE

D C 1151. Capital Stock Expense

A. There shall be reported by this caption all balances in the accounts for expenses incurred in connection with the issuance and sale of capital stocks.
B. The accounts hereunder shall be so kept as to show separately the expense on each class and series of capital stocks.

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

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

REACQUIRED SECURITIES

D C 1152. Reacquired Capital Stock
A. This account shall include the par value of capital stock which had been issued by the utility and is reacquired by it and not retired or canceled, but is held by the utility. Stock without par value shall be included in this account at the proportionate amount at which the particular class and series of stock is included in account 1200, Common Capital Stock, or account 1201, Preferred Capital Stock.

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

C. When reacquired capital stock is retired or canceled, this account shall be credited and account 1200 or 1201, as applicable, shall be charged with the amounts at which such stock is included therein. When reacquired capital stock is resold by the utility (see section 69 of Public Service Law), the par value (or amount included in this account for stock without par value) of the stock resold shall be credited to this account.

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

D C 1153. Reacquired Long-term Debt
A. This account shall include the par or face value of bonds or other long-term debt which had been issued or assumed by the utility and is reacquired by it and held under conditions which do not permit the utility to treat such securities as paid, retired, or canceled, but which permit the resale of the securities (see section 69 of Public Service Law). It shall not include securities which are held by trustees in sinking or other funds.

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

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

So in original. "therof" should be "thereof".

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

LIABILITIES AND OTHER CREDITS

CAPITAL STOCK

D C 1200. Common Capital Stock
D C 1201. Preferred Capital Stock

A. These accounts shall include the par value of capital stock with
par value and the cash value of the consideration received for non-par
stock, of each class of capital stock which has been issued and is
outstanding, and also the capital stock in account 1152, Reacquired
Capital Stock.

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

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

D. A separate ledger account, with a descriptive title, shall be kept
for each class and series of stock. The supporting records shall show
the shares in the hands of the public and those reacquired by the
company and not resold.

Note A: When a levy or assessment, except a call for payment on
subscriptions, is made against holders of capital stock, the amount
collected upon such levy or assessment on capital stock with par value
shall be credited to account 1203, Premiums and Assessments on Capital Stock, and a levy or assessment on capital stock without par value shall
be included in these accounts.

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

D C 1203. Premiums and Assessments on Capital Stock

A. This account shall include the excess of actual cash value of the
consideration received over the par value and accrued dividends, of par
value stock issued, together with assessments against stockholders
representing payments required in excess of par value. (Assessments on
stock without par value shall be included in account 1200 or 1201, as
appropriate.)

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

C. When capital stock is reacquired or retired, the amount in this
account with respect to the shares of such stock reacquired or retired
shall be debited hereto.

D C 1205. Instalments Received on Capital Stock

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

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

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

NON-CORPORATE PROPRIETORSHIP

D C 1206. Non-corporate Proprietorship

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

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

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

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

LONG-TERM DEBT

D C 1210. Bonds

This account shall include the face value of unmatured bonds which have been issued and have not been retired or canceled; also the face value of such bonds issued by others the payment of which has been assumed by the utility. The account shall be so kept as to show the face value of each class and series outstanding.

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

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

D C 1211. Receivers' Certificates

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

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

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

D C 1213. Miscellaneous Long-term Debt

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

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

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

DEBTS TO ASSOCIATED COMPANIES

D C 1214. Debts to Associated Companies
This account shall include all amounts owed to associated companies on notes, drafts, acceptances or other similar evidences of indebtedness and open accounts payable, and also interest on obligations included herein, and shall be so kept as to show separately the amount payable to each associated company on (1) notes, (2) open accounts.

CURRENT AND ACCRUED LIABILITIES

D C 1220. Notes Payable
This account shall include the face value of all notes, drafts, acceptances, or other similar evidences of indebtedness to other than associated companies, payable on demand or which by their terms are payable within a time not exceeding one year from the date of issue.

D C 1221. Notes Receivable Discounted
This account shall include the face amount of notes receivable discounted or sold without releasing the utility from liability as endorser thereon.

D C 1222. Accounts Payable
This account shall include all open accounts payable by the utility within one year, and which are not provided for in other accounts.

D C 1224. Dividends Declared
This account shall include the amount of dividends which have been declared but not paid. Dividends shall be credited to this account when they become a liability.

D C 1225. Matured Long-term Debt
When any debt carried in account 1210, Bonds, 1211, Receivers' Certificates, or 1213, Miscellaneous Long-term Debt, matures but is not paid or for which no specific agreement for extension of the time of payment is made, it shall be transferred to this account; bonds called for redemption but not presented, shall also be included herein.

D C 1227. Customers' Deposits
This account shall include all amounts deposited with the utility by customers as security for the payment of bills.

D C 1228. Taxes Accrued
A. This account shall be credited each month with the amount of taxes applicable thereto when payment of such taxes is to be made in a subsequent period. Concurrently, debits shall be made to the appropriate accounts for tax charges. In the absence of precise information as to the amount of the tax the monthly credits to this account will necessarily be based upon estimates; when the actual amount of the tax becomes known, the amounts of the periodic accruals shall be adjusted so as to include as nearly as can be determined in each year the taxes applicable thereto.

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

D C 1229. Interest Accrued
This account shall include the amount of interest accrued on long-term debt and other liabilities of the utility, except interest on debt to associated companies, which shall be included in account 1214, Debts to
Associated Companies, and except interest which is added to the principal of the debt on which incurred.

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

D C 1230. Other Current and Accrued Liabilities

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

DEFERRED CREDITS

D C 1240. Unamortized Premium on Debt

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

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

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

D C 1241. Customer Advances for Construction

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

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

C. Separate subdivisions shall be kept for each utility service.

D C 1242. Other Deferred Credits

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

RESERVES

D C 1250. Reserve for Depreciation of Utility Plant

A. This account shall be credited with the following:

(1) Amounts representing currently accruing depreciation on utility plant (See general instruction 321.8.)

(2) Amounts charged to account 1414, Miscellaneous Debits to Surplus, for past accrued depreciation of utility plant

(3) Accrued depreciation upon utility properties acquired as operating
(4) Amounts charged upon approval of the commission to account 1146, Miscellaneous Deferred Debits

B. Class C utilities shall subdivide this account as follows:
   C 1250.1 Reserve for Depreciation of Gas Plant in Service
   C 1250.2 Reserve for Depreciation of Gas Plant Leased to Others
   C 1250.4 Reserve for Depreciation of Gas Plant Held for Future Use
   C 1250.6 Reserve for Depreciation of Unclassified Gas Plant
   C 1250.8 Reserve for Depreciation of Other Utility Plant

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

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

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

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

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

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

D C 1254. Reserve for Uncollectible Accounts

This account shall be credited each month with estimated amounts required to provide for losses on accounts receivable which may become uncollectible, and also with collections on accounts previously charged hereto. Concurrent charges shall be made to account 1783, Uncollectible Accounts, for amounts applicable to gas operations, and to corresponding accounts for other operations.

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

D C 1255. Reserve for Insurance, Injuries and Damages

A. This account shall be credited, and account 1798, Insurance, Injuries and Damages, or other appropriate account, charged each month with amounts which the utility estimates are required for self-insurance against losses through accident, fire, flood, or other hazards to its own property or property leased from others, and for probable liability, not covered by insurance, for deaths or injuries to employees and others, and for damages to property not owned or held under lease. A schedule of risks covered by this reserve shall be maintained, giving a description of the property involved, the risks covered, and the rates used.
B. Charges shall be made to this account for:
   (1) Losses to property owned or leased from others, covered by self-insurance
   (2) Liability for any injury or damage which is admitted by the utility either voluntarily or because of the decision of a court or other lawful authority, such as a workmen's compensation board; the amount of the liability pending its payment shall be credited to the appropriate liability account.
   Note A: Accretions to this reserve shall not be made in excess of a reasonable provision against losses of the character provided for.
   Note B: Recoveries or reimbursements for losses charged to this account shall be credited hereto.

D C 1258. Miscellaneous Reserves
A. This account shall include all reserves which are not provided for elsewhere in this system of accounts, such as reserves for pensions, accident and death benefits, relief or other provident purposes, etc., and for depreciation of property carried in account 1110, Other Physical Property.
B. This account shall be so kept as to show the amount of each separate reserve and the nature and amounts of the debits and credits hereto.

CONTRIBUTIONS IN AID OF CONSTRUCTION
D C 1265. Contributions in Aid of Construction
A. This account shall include those contributions for construction purposes made prior to January 1, 1947 in cash, services or property by States, municipalities or other governmental agencies, individuals and others which have not been transferred to other accounts.
B. Amounts in this account at December 31, 1946 which are refundable wholly or in part shall be transferred to account 1241, Customer Advances for Construction. Unless otherwise ordered by the commission, non-refundable amounts in this account at December 31, 1946 which can be identified with property in gas plant accounts shall be transferred to the appropriate accounts. Amounts not identified with property in gas plant accounts may be distributed to gas plant accounts under a plan approved by the commission; otherwise the amounts remain in this account. Except as provided herein, amounts in this account shall not be transferred to any other account without the approval of the commission.
C. The records supporting the entries to this account shall be so kept that the utility can furnish information as to the purpose of each contribution, the conditions, if any, upon which it was made, and the amount of contributions from (a) States, (b) municipalities, (c) customers, and (d) others.
D. This account shall be subdivided according to departments (gas, electric, etc.) of the utility.

SURPLUS
D C 1271. Surplus
This account shall include the total of balances of accounts 1400 to 1414. The balance may be either a credit or a debit.

GAS PLANT ACCOUNTS
INTANGIBLE PLANT

D C 1301. Organization
D C 1302. Franchises and Consents
D C 1303. Miscellaneous Intangible Plant

PRODUCTION PLANT
DC 1310. Land and Land Rights
DC 1311. Structures and Improvements
DC 1317. Coal Gas Equipment
DC 1320. Water Gas Equipment
DC 1321. Petroleum Gas Equipment
DC 1322. Production Equipment--Other Processes
DC 1324. Producing Gas Wells
DC 1325. Gathering Lines and Equipment
DC 1326. Drilling and Cleaning Equipment
DC 1330. Other Production Equipment

TRANSMISSION AND DISTRIBUTION PLANT
DC 1360. Land and Land Rights
DC 1361. Structures and Improvements
DC 1363. Transmission and Distribution Lines
C 1363.1. Mains
C 1363.2. Pumping and Regulating Equipment
C 1363.3. Services
DC 1366. Meters and House Regulators
DC 1367. Installations on Customers' Premises
DC 1368. Leased Property on Customers' Premises
DC 1369. Street Lighting Equipment

GENERAL PLANT
DC 1370. Land and Land Rights
DC 1371. Structures and Improvements
DC 1372. Office Furniture and Equipment
DC 1373. Transportation Equipment
DC 1379. Other General Equipment
DC 1390. Other Tangible Property

INTANGIBLE PLANT
DC 1301. Organization

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

ITEMS
1. Cost of obtaining certificates authorizing an enterprise to engage in the public utility business (except costs includible in account 1302)
2. Fees and expenses for incorporation
3. Fees and expenses for mergers or consolidations
4. Office expenses incident to organizing the utility
5. Stock and minute books and corporate seal

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

Note B: Exclude from this account and include in the appropriate expense account the cost of preparing and filing papers in connection with the extension of the term of incorporation unless the first organization costs have been written off. When charges are made to this account for expenses incurred in mergers, consolidations, or reorganizations, amounts previously carried on the books of the corporations merged, consolidated, or reorganized shall not be included in this account.
D C 1302. Franchises and Consents
A. This account shall include only amounts paid to the federal
government, to a State or to a political subdivision thereof in
consideration for franchises, consents, or certificates, running in
perpetuity or for a specified term of more than one year.
B. If a franchise, consent, or certificate is acquired by assignment,
the charge to this account in respect thereof shall not exceed the
amount paid therefor by the utility to the assignor, nor shall it exceed
the amount paid by the original grantee. Any excess of the amount
actually paid by the utility over the amount above specified shall be
charged to account 1414, Miscellaneous Debits to Surplus.
C. When any franchise has expired, the amount included therefor in
this account shall be credited hereto.
Note: Annual or other periodic payments under franchises shall not be
included herein but in the appropriate operating expense account.
D C 1303. Miscellaneous Intangible Plant
A. This account shall include the cost of patent rights, licenses,
privileges, and other intangible property necessary or valuable in the
conduct of the utility's gas operations and not specifically chargeable
to any other account.
B. When any item included in this account is retired or expires, the
amount included herein for the item shall be credited hereto.
C. This account shall be so kept that the utility can furnish full
information with respect to the amounts included herein.
Note: Expenses incident to procuring franchises, consents, or
certificates shall not be included herein.

PRODUCTION PLANT
Note: If the utility produces gas in two or more plants, separate
production plant accounts shall be kept for each plant; when more than
one kind of gas is produced at a single plant, the equipment used in
common, if any, shall be kept in separate subdivisions and the extent of
use for each process shall be indicated.
D C 1310. Land and Land Rights
This account shall include the cost of land and land rights used in
connection with gas production. (See gas plant instruction ð 322.4.)
D C 1311. Structures and Improvements
This account shall include the cost in place of structures and
improvements used in connection with gas production. This includes
relief and storage holders when located at the production plant. (See
gas plant instruction ð 322.5.)
D C 1317. Coal Gas Equipment
This account shall include the cost installed of plant and equipment
used for the production and purification of coal gas.

ITEMS

1. Power equipment, such as furnaces, boilers, internal combustion
   engines and other driving equipment; accessory equipment, such as fuel
   and ash handling and storage equipment, piping and accessories, etc.
2. Benches and retorts, coke ovens, and accessory equipment
3. Purification equipment and accessories
4. Purification equipment and accessories
5. Residual refining equipment and accessories
6. Other production and accessory equipment, such as gas mixing
   equipment, tanks, odorizing equipment, oil foggers, piping and
   accessories, works exhauster, works station meters and gauges,
production laboratory equipment, etc.

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

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

D C 1320. Water Gas Equipment
This account shall include the cost installed of equipment used in the generation and purification of water gas.

ITEMS
1. Power equipment, such as furnaces, boilers, internal combustion engines and other driving equipment; accessory equipment such as fuel and ash handling and storage equipment, piping and accessories, etc.
2. Water gas generating equipment, such as generators, carburetors, superheaters, and equipment accessory thereto
3. Purification equipment and accessories
4. Residual refining equipment and accessories
5. Other production and accessory equipment, such as gas mixing equipment, tanks, odorizing equipment, oil foggers, piping and accessories, works exhauster, works station meters and gauges, production laboratory equipment, etc.

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

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

D C 1321. Petroleum Gas Equipment
This account shall include the cost installed of equipment used for the production of gas from petroleum derivatives, such as propane, butane or gasoline.

ITEMS
1. Bottling equipment and accessories
2. Carbureting equipment and accessories
3. Compression equipment including pumps and accessories
4. Foundations and settings, specially constructed for and not expected to outlast the apparatus for which provided
5. Mixing or proportioning equipment
6. Piping, including valves
7. Storage equipment other than holders
8. Vaporizing equipment

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

D C 1322. Production Equipment--Other Processes
This account shall include the cost installed of production equipment for processes other than those provided for in preceding accounts, such as for the production of oil gas, acetylene gas, etc., and for producer gas when not for use in the manufacture of coal gas.

D C 1324. Producing Gas Wells
This account shall include the cost installed of productive gas wells, up to and including well gate, including cost of drilling, casing, tubing, packing, and shutting in wells; also minor buildings and structures at the wells.

ITEMS
1. Casing
2. Clearing site for drilling
3. Drive pipe
4. Fittings, including shut-in valve, separators and drips
5. Fuel or power used in drilling, cost of
6. Packing
7. Pumps and drives permanently connected
8. Tubing
9. Rent of drilling equipment
10. Roads to well site, cost of making, clearing, etc.
11. Cost of hauling, erecting, dismantling, and removing boilers, portable engines, derricks, rigs and other equipment and tools used in drilling
12. Water used in drilling, obtained either by driving wells, piping from springs or streams, or by purchase
   Note A: Records shall be kept to show the cost and the depth of each well drilled.
   Note B: Cost of drilling, etc., incurred in connection with dry holes shall be charged as provided in account 1749, Non-productive Well Drilling Expenses.

D C 1325. Gathering Lines and Equipment
   This account shall include the cost installed of pipe lines and equipment used in conveying natural gas from the wells to the point of storage or compression, or where it enters the transmission or distribution system.

ITEMS

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

D C 1326. Drilling and Cleaning Equipment
   This account shall include the cost of implements and equipment used in drilling and cleaning natural gas wells.

ITEMS

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

D C 1330. Other Production Equipment
   This account shall include the cost installed of equipment used in the production of gas, when not assignable to any of the foregoing accounts.

ITEMS

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

TRANSMISSION AND DISTRIBUTION PLANT
D C 1360. Land and Land Rights
This account shall include the cost of land and land rights used in connection with transmission or distribution operations. (See gas plant instruction ð 322.4.)

D C 1361. Structures and Improvements
A. This account shall include the cost in place of structures and improvements used in connection with transmission or distribution operations. (See gas plant instruction ð 322.5.)
B. This includes storage holders and accessory equipment when located on the transmission or distribution system. Storage holders and accessory equipment located at the production plant shall be included in account 1311, Structures and Improvements.

D 1363. Transmission and Distribution Lines
This account shall include property provided for in accounts 1363.1, 1363.2 and 1363.3.

C 1363.1 Mains
This account shall include the cost installed of transmission and distribution system mains.

ITEMS
1. Drip lines and pots
2. Excavation, including shoring, bracing, bridging, pumping, backfill, and disposal of excess excavated material
3. Municipal inspection
4. Pavement disturbed, including cutting and replacing pavement, pavement base and sidewalks
5. Permits
6. Pipe coatings
7. Pipe and fittings
8. Pipe laying
9. Pipe supports
10. Protection of street openings
11. Surveys made for main construction
12. Valves (including manholes or pits), not associated with pumping or regulating equipment

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

C 1363.2 Pumping and Regulating Equipment
This account shall include the cost installed of pumping, regulating, and measuring equipment, including minor structures which house such equipment.

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

C 1363.3 Services

A. This account shall include the cost installed of service pipes, from the point at which the main is tapped to and including the first fitting or valve inside of the building wall, when the utility actually incurs such cost for which it has not been reimbursed. This includes the cost of stub services run in anticipation of future use. Service laterals serving meters at more than one location shall be included in this account.

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

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

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

ITEMS

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

D C 1366. Meters and House Regulators

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

B. When a meter or house regulator is permanently retired from service, the amount at which it is included herein shall be credited to this account. Meter installations in excess of the number of meters installed and house regulator installations in excess of the number of house regulators installed, both active and inactive, shall be retired immediately if there is no prospect of reuse, and in any event shall be retired by the end of the year following that during which the meter or house regulator was removed unless reused in the interim.

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

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

ITEMS

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

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

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

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

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

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

D C 1367. Installations on Customers' Premises

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

D C 1368. Leased Property on Customers' Premises

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

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

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

D C 1369. Street Lighting Equipment
This account shall include the cost installed of property used solely for street lighting.

ITEMS

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

GENERAL PLANT

D C 1370. Land and Land Rights
This account shall include the cost of land and land rights used for gas plant purposes, the cost of which is not properly includible in other land and land rights accounts. (See gas plant instruction § 322.4.)

D C 1371. Structures and Improvements
This account shall include the cost in place of structures and improvements used for gas plant purposes, the cost of which is not properly includible in other structures and improvements accounts. (See gas plant instruction § 322.5.)

D C 1372. Office Furniture and Equipment
A. This account shall include the cost installed of all office furniture and equipment owned by the utility and devoted to gas service, and not permanently attached to buildings. Articles of slight value or short service life acquired subsequent to the commencement of operations shall be charged to the appropriate operating expense account and not to this account.
B. If the utility has equipment includible in this account at more than one location, separate records shall be maintained for each location.

ITEMS

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

D C 1373. Transportation Equipment
This account shall include the cost of transportation and garage equipment when such equipment is not an integral part of the housing structure. This account shall be subdivided as follows:

1373.1 Vehicles
1373.2 Garage and Repair Equipment

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

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

D C 1379. Other General Equipment

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

(1) Equipment used for the receiving, shipping, handling and storage of materials and supplies when not an integral part of the housing structure
(2) Equipment specially provided for general shops when such equipment is not an integral part of the housing structure
(3) Laboratory equipment used for general laboratory purposes and not specially provided for or includible in other departmental or functional plant accounts
(4) Tools, implements, and equipment used in construction or repair work exclusive of equipment includible in other equipment accounts
(5) Other general equipment, apparatus, etc., used in the utility's gas operations, and which is not includible in any other account

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

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

D C 1390. Other Tangible Property

A. This account shall include the cost of tangible gas plant not provided for elsewhere.
B. A separate subdivision of this account shall be kept for each class of property in which the utility has a relatively large investment, and records shall be so kept as to show separately the cost of each major item.

SURPLUS ACCOUNTS
CREDITS

D C 1400. Credit Balance Transferred from Income Account
D C 1401. Miscellaneous Credits to Surplus
DEBITS
D C 1410. Debit Balance Transferred from Income Account
D C 1411. Dividend Appropriations—Preferred Stock
D C 1412. Dividend Appropriations—Common Stock
D C 1413. Miscellaneous Reservations of Surplus
D C 1414. Miscellaneous Debits to Surplus

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

CREDITS
D C 1400. Credit Balance Transferred from Income Account
This account shall include the net credit balance transferred from the income account for the year.
D C 1401. Miscellaneous Credits to Surplus
A. This account shall include all credits affecting the surplus or deficit not provided for elsewhere. Among the items which shall be credited to this account are:
(1) Credits for amounts previously written off through charges to surplus
(2) Delayed income, operating revenue, and operating expense credits as provided in general instruction section 321.4
(3) Profits on reacquisition of the utility's securities (See accounts 1152 and 1153.)
(4) Surplus arising from donations by stockholders of the utility's capital stock
(5) Surplus arising from a reduction of the par value of the utility's capital stock
(6) Surplus arising from forgiveness of debt of the utility
B. All items included in this account shall be sufficiently described in the entries relating thereto as to identify them with all accounts affected, and if the credits relate to prior years, the amount applicable to each year shall be shown.

DEBITS
D C 1410. Debit Balance Transferred from Income Account
This account shall include the net debit balance transferred from the income account for the year.
D C 1411. Dividend Appropriations—Preferred Stock
D C 1412. Dividend Appropriations—Common Stock
A. These accounts shall include amounts declared payable out of surplus or earnings as dividends on outstanding capital stock issued by the utility.
B. Dividends shall be segregated as to those payable in cash and otherwise. If not payable in cash, the medium of payment shall be described with sufficient particularity to identify it.
C. This account shall be so kept or supported as to show separately the dividends on each class and series of stock.
D C 1413. Miscellaneous Reservations of Surplus
A. This account shall include the reservations or appropriations of surplus for purposes not provided for elsewhere in this system of accounts.
B. The entries to this account shall show the nature of each reservation of surplus.
D C 1414. Miscellaneous Debits to Surplus
A. This account shall include amounts chargeable to surplus not provided for elsewhere. Among the items which shall be charged hereto...
are:

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

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

INCOME ACCOUNTS

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

UTILITY OPERATING INCOME

GAS OPERATING INCOME

Operating Revenue
D C 1501. Operating Revenues (subdivided into accounts 1600-1615)
Operating Revenue Deductions
D C 1502. Operation and Maintenance (subdivided into accounts 1700-1811)
D C 1503. Depreciation
Total Operating Expenses
D C 1505. Amortization of Gas Plant Acquisition Adjustments
D C 1506. Property Losses Chargeable to Operations
D C 1507. Operating Taxes
Total Operating Revenue Deductions
Net Operating Revenue
D C 1508. Income from Gas Plant Leased to Others
Gas Operating Income
Other Utility Operating Income
D C 1509. Other Utility Operating Income
Total Utility Operating Income

OTHER INCOME

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

Gross Income

INCOME DEDUCTIONS

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

DISPOSITION OF NET INCOME
D C 1540. Miscellaneous Reservations of Net Income
Balance Transferred to Surplus

UTILITY OPERATING INCOME
D C 1501. Operating Revenues
Under this caption shall be included the total operating revenues credited to the revenue accounts 1600 to 1615, derived by the utility from its gas operations during the period covered by the income account.
D C 1502. Operation and Maintenance
Under this caption shall be included the total expenses shown in accounts 1700 to 1811, incurred by the utility in its gas operations during the period covered by the income account.
D C 1503. Depreciation
A. This account shall include the depreciation expense applicable to gas operations, on plant carried in accounts 1101 and 1106 for the period covered by the income account, except such depreciation expense as is charged to clearing accounts or to construction work in progress.
B. Class C utilities shall keep supporting records to show the amount of depreciation charges applicable to each gas plant account.
D C 1505. Amortization of Gas Plant Acquisition Adjustments
This account shall be debited or credited, as the case may be, with amounts which the commission shall have determined are includible in operating revenue deductions for the purpose of providing for the extinguishing of the amount in account 1105, Gas Plant Acquisition Adjustments. Account 1252, Reserve for Amortization of Gas Plant Acquisition Adjustments, shall be concurrently credited or debited.
D C 1506. Property Losses Chargeable to Operations
This account shall be charged with amounts credited to account 1146, Miscellaneous Deferred Debits, when the commission has authorized an extraordinary loss included in the latter account to be written off by charges to operations.
D C 1507. Operating Taxes
A. This account shall include the amount of Federal, State, county, municipal and other taxes, including payroll taxes (but excluding taxes on net income, excess profits, undivided profits, excess dividends or capital stock) which are properly chargeable to gas operations, and except taxes includible in account 1789, Merchandising, Jobbing and Contract Work, or in clearing accounts. (See account 1228, Taxes Accrued.)
B. This account shall be charged each month with the amount of taxes which are applicable thereto, and concurrent credits shall be made to account 1228, Taxes Accrued. (See also account 1132, Prepayments.)
C. Taxes assumed by the utility on property leased from others for use in gas operations shall be considered as additional rent and so charged.
D. This account shall be so kept as to show the amount of each kind of tax, and the basis upon which each charge is made.
Note: The following items shall not be charged to this account but shall be treated as specified below:
(1) Gasoline or other sales taxes shall be added to the cost of the materials on which levied
(2) Taxes chargeable to other utility operations shall be assigned to such operations: taxes applicable to non-utility operations shall be charged to account 1521, Income from Non-utility Operations.

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

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

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

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

D C 1508. Income from Gas Plant Leased to Others
A. This account shall include all rental income from gas property leased by the utility to others, and which property is included in account 1102, Gas Plant Leased to Others.
B. This account shall be subdivided as follows:
   1508.1 Revenues from Gas Plant Leased to Others
   1508.2 Expenses of Gas Plant Leased to Others
C. This account shall be so kept or supported as to show separately the following for each lease:
   1. Rentals
   2. Expenses
   3. Depreciation
   4. Taxes
   5. Uncollectible rents

D C 1509. Other Utility Operating Income
Under this caption shall be included (1) the revenues derived from and (2) operation and maintenance, depreciation, rents and taxes incurred in the operation of utility plant, the book cost of which is included in account 1108, Other Utility Plant.

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

OTHER INCOME
D C 1521. Income from Non-utility Operations
A. This account shall include the revenues derived from and the expenses incurred in non-utility operations.
B. The expenses shall include every element of cost (except return on investment) incurred in such operations, including depreciation, rents, taxes, insurance, etc.

D C 1523. Dividend Revenues
This account shall include the revenues derived by the utility from dividends on stocks of other companies.
Note: No dividends on reacquired securities issued or assumed by the utility shall be included in this account.

D C 1524. Interest Revenues
This account shall include interest revenues on investments, loans, notes, advances, special deposits, etc.

D C 1526. Miscellaneous Non-operating Income
This account shall include all revenue items properly includible in
the income account other than from operations (utility and non-utility),
interest, or dividends. It shall also include all expenses incurred in
connection with such revenues.

INCOME DEDUCTIONS

D C 1530. Interest on Long-term Debt
A. This account shall include in each accounting period the amount of
interest applicable thereto on outstanding long-term debt issued or
assumed by the utility, the liability for which is included in account
1210, Bonds, account 1211, Receivers' Certificates, or account 1213,
Miscellaneous Long-term Debt. No interest shall be accrued on
reacquired debt carried in account 1153, Reacquired Long-term Debt.
B. Amounts charged to this account shall be credited to account 1229,
Interest Accrued.
C. This account shall be so kept or supported by other records as to
show the interest accruals on each class and series of long-term debt.

D C 1531. Amortization of Debt Discount and Expense
This account shall include in each accounting period the portion of
unextinguished debt discount and expense on outstanding long-term debt
which is applicable to such period. The amount shall be computed as
provided in account 1140, Unamortized Debt Discount and Expense, to
which account concurrent credit shall be made.

D C 1532. Amortization of Premium on Debt--Credit
This account shall include in each accounting period the portion of
unextinguished premium (or premium less expenses, when a net credit) on
outstanding long-term debt which is applicable to such period. The
amount shall be computed as provided in account 1240, Unamortized
Premium on Debt, to which account concurrent debit shall be made.

D C 1533. Interest on Debt to Associated Companies
A. This account shall include in each accounting period interest on
debt to associated companies and shall be so kept as to show the amount
of interest on each such debt.
B. Amounts charged to this account shall be credited to account 1214,
Debts to Associated Companies.

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

D C 1536. Interest Charged to Construction--Credit
When interest is charged to construction in accordance with gas plant
instruction, paragraph (7) of subdivision (a) of section 322.3,
concurrent credit shall be made to this account.

D C 1538. Miscellaneous Income Deductions
This account shall include miscellaneous debits to income not provided
for elsewhere.

ITEMS
1. Decline in value of investments
2. Donations
3. Expenditures for associated companies for which the utility will
   not be reimbursed
4. Charges not includible in account 1505, Amortization of Gas Plant
   Acquisition Adjustments, to write off amounts in account 1105, Gas Plant
   Acquisition Adjustments, and other items being written off which are not
   elsewhere provided for
5. Penalties or fines for violations of law
6. Expenses in connection with interest and dividend revenues
7. Taxes assumed on interest

**D C 1539. Income Taxes**

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

**DISPOSITION OF NET INCOME**

**D C 1540. Miscellaneous Reservations of Net Income**

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

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

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

**OPERATING REVENUE ACCOUNTS**

**SALES OF GAS**

**D C 1600. Residential Sales**

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

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

**D C 1602. Commercial and Industrial Sales**

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

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

**D C 1603. Public Street and Highway Lighting**

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

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

**D C 1604. Other Sales to Public Authorities**

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

D C 1605. Sales to Other Gas Utilities
A. This account shall include revenues from gas supplied to other gas utilities or to public authorities for distribution to others. (See also account 1755, Gas Purchased.)
B. Revenues from gas supplied to other public utilities for use by them and not for distribution shall be included in account 1602, Commercial and Industrial Sales, unless supplied under the same contract as and not readily separable from revenues includible in this account.

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

D C 1607. Interdepartmental Sales
A. This account shall include the total amounts charged to other departments of the utility by the gas department for gas supplied by the latter.
B. The utility shall be prepared to furnish the basis and the computations of the charges to other departments.

D C 1608. Other Sales
This account shall include revenues derived from gas supplied users and which are not properly includible in revenue accounts 1600 to 1607, inclusive.

OTHER GAS REVENUES

D C 1610. Rent from Gas Operating Property
A. This account shall include rents for the use by others of land, buildings and other property devoted to gas operations by the utility. This covers such matters as rent from pipe lines, buildings, stations, land, etc.
B. This account shall be so kept as to show the nature of the property for which rent was received and the basis of the charges for the use thereof.

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

D C 1612. Customers' Forfeited Discounts
This account shall include the amounts which the utility allows its customers on condition that they pay their gas bills on or before a specified date and which are forfeited because of failure to pay within the specified time.

D C 1614. Servicing of Customers' Installations
This account shall include revenues accruing to the utility from charges to customers on account of the maintenance of appliances, piping, or other installations on customers' side of meters.

D C 1615. Miscellaneous Gas Revenues
This account shall include revenues derived from gas operations not includible in any of the foregoing accounts. This covers such items as fees and charges for changing, connecting and disconnecting service, profit on the sale of unused materials and supplies not ordinarily purchased for resale, commissions on sales or distribution of others' gas (sold under rates filed by such others), management or supervision.
fees, sale of steam (except when the utility furnishes steam-heating service), revenues from transmitting gas of others, and rentals from property included in account 1368, Leased Property on Customers' Premises.

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

PRODUCTION EXPENSES
MANUFACTURED GAS PRODUCTION

D  1700. Supervision and Labor
C  1701. Supervision
C  1702. Operation Labor
C  1703. Maintenance Labor
D  1710. Fuel
C  1711. Boiler Fuel
C  1712. Coal Gas Fuel
C  1713. Coal Carbonized
C  1714. Water Gas Generator Fuel
D C 1716. Oil and Enriching Materials
D C 1718. Liquefied Petroleum Gas
D C 1719. Raw Materials for Other Gas Processes
D C 1720. Miscellaneous Works Supplies and Expenses
D C 1724. Maintenance Materials and Expenses
D C 1725. Rents
D C 1726. Residuals-Produced Credit
D C 1727. Residuals Expense
D C 1728. Steam Produced--Credit

NATURAL GAS PRODUCTION

D  1730. Supervision and Labor
C  1731. Supervision
C  1732. Operation Labor
C  1733. Maintenance Labor
D  1740. Materials, Supplies and Expenses
C  1741. Operation Supplies and Expenses
C  1742. Maintenance Materials and Expenses
D C 1746. Gas Well Royalties and Rents
D C 1747. Rents for Unoperated Leases
D C 1748. Other Natural Gas Rents
D C 1749. Non-productive Well Drilling Expenses
D C 1750. Residuals Produced--Credit
D C 1751. Residuals Expense
D C 1752. Natural Gas Production--Credit

MISCELLANEOUS PRODUCTION

D C 1755. Gas Purchased
D C 1756. Other Production Expenses

TRANSMISSION AND DISTRIBUTION EXPENSES

D  1760. Supervision and Labor
C  1761. Supervision
C  1762. Operation Labor
C  1763. Labor on Customers' Premises
C  1764. Maintenance Labor
C  1765. Street Lighting Labor
D  1770. Materials, Supplies and Expenses
C 1771. Operation Supplies and Expenses
C 1772. Maintenance Materials, Supplies and Expenses
C 1773. Street Lighting Materials, Supplies and Expenses
D C 1776. Rents
D C 1777. Miscellaneous Expenses

CUSTOMERS' ACCOUNTING AND COLLECTING EXPENSES
D C 1780. Meter Reading, Accounting and Collecting
C 1781. Meter Reading
C 1782. Accounting and Collecting
D C 1783. Uncollectible Accounts
D C 1784. Rents

SALES PROMOTION EXPENSES
D C 1786. Sales Expenses
D C 1789. Merchandising, Jobbing and Contract Work

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

PRODUCTION EXPENSES
MANUFACTURED GAS PRODUCTION

Note: If the utility manufactures gas by more than one process or in two or more plants, separate production expense accounts shall be kept for each process or plant.
D 1700. Supervision and Labor
This account shall include items provided for in accounts 1701, 1702 and 1703.
C 1701. Supervision
This account shall include the cost of supervising and directing the operation and maintenance of the production plant.
C 1702. Operation Labor
This account shall include the pay of employees for the time during which they are engaged in operating the production plant.
C 1703. Maintenance Labor
This account shall include the pay of employees or others for the time during which they are engaged in making repairs to the production plant. This includes, in addition to labor on actual repairs, such work as routine inspection and testing, replacing or adding minor items of plant (see gas plant instruction ð 322.2, subd. (c)), testing for, locating
and clearing trouble, restoring the condition of damaged property, etc., but not replacing items of property designated as "units of property."

D 1710. Fuel
This account shall include items provided for in accounts 1711, 1712, 1713 and 1714.

C 1711. Boiler Fuel
A. This account shall include the cost delivered at works of coal, oil, gas, or other fuel used in the production of steam. It shall also include the net cost of, or the net amount realized from, the disposal of ashes.
B. Records shall be kept to show the quantity and the cost of each type of fuel used.

C 1712. Coal Gas Fuel
A. This account shall include the cost delivered at works of fuel used under retorts or under coke ovens, but not the cost of fuel used for making steam or coal carbonized in retorts or in coke ovens; it shall also include the cost of producer gas used in making coal gas.
B. If coke produced by the company is used under boilers, the accounting shall be as provided in account 1726, Residuals Produced--Credit; if natural gas produced by the utility is used for fuel under retorts or under coke ovens, this account shall be charged with concurrent credit to account 1752, Natural Gas Production--Credit.
C. This account shall include the net cost of, or the net amount realized from, the disposal of ashes.
D. Records shall be kept to show the quantity and the cost of each type of fuel used.

C 1713. Coal Carbonized
A. This account shall include the cost delivered at works of coal used in retorts or in coke ovens for making coal gas.
B. Records shall be kept to show the quantity and the cost of each type of coal used.

C 1714. Water Gas Generator Fuel
A. This account shall include the cost delivered at works of fuel used in water gas generators, including fuel used for reforming gas by means of water gas generators. It shall also include the net cost of, or the net amount realized from, the disposal of ashes.
B. Records shall be kept to show the quantity and the cost of each type of fuel used.

D C 1716. Oil and Enriching Materials
This account shall include the cost delivered at works of oil used in carbureting and materials used for enriching water gas.

D C 1718. Liquefied Petroleum Gas
A. This account shall include the cost delivered at works of liquefied petroleum gas, such as propane, butane, or gasoline, used in making gas.
B. Records shall be kept to show the quantity and the cost of liquefied petroleum gas used.

D C 1719. Raw Materials for Other Gas Processes
A. This account shall include the cost delivered at works of raw materials and fuel used in the production of any kind of gas other than coal gas, water gas, liquefied petroleum gas or natural gas.
B. Records shall be kept to show the type, quantity, and cost of raw materials used.

D C 1720. Miscellaneous Works Supplies and Expenses
This account shall include the cost of supplies used and expenses
incurred in connection with the production of manufactured gas not includible in the preceding production accounts.

ITEMS

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

D C 1724. Maintenance Materials and Expenses
This account shall include materials and supplies used and expenses incurred in repairing and maintaining the manufactured gas production plant.

ITEMS

1. Bills from others for repairs, inspection, adjustment or other maintenance of production plant structures or equipment
2. Materials and supplies used in making repairs or in replacing, minor items of property (See gas plant instruction 6 322.2, subd. (c)).
3. Minor items added to plant
4. Transportation, shop and stores expenses, if clearing accounts are used

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

D C 1725. Rents
A. This account shall include all rents for property of others used, occupied, or operated in connection with the production of manufactured gas. Taxes paid on such property shall be charged hereto.
B. If the leased property is used by more than one department of the utility, the rental (and taxes) shall be apportioned on an equitable basis to the departments making use of the property. If a portion of the rented property is subleased, the revenue therefrom shall be included in account 1610, Rent from Gas Operating Property.

D C 1726. Residuals Produced--Credit
A. This account shall be credited and account 1131, Materials and Supplies, debited in each accounting period with the estimated value of residuals and other by-products obtained in connection with the production of manufactured gas, whether intended for sale or for use in operations.
B. If the net amount realized from the sale of residuals is greater or less than the amount at which they were originally credited hereto, an adjusting entry shall be made crediting or debiting this account and charging or crediting account 1131, Materials and Supplies, with the difference.
C. Records shall be so kept as to show for each type of residual or other by product the quantity produced and the amount at which charged to account 1131, Material and Supplies; the quantity sold and the price received therefor; and the quantity and value of residuals used.

D C 1727. Residuals Expense
A. This account shall include all expenses incurred in handling, preparing and marketing residuals produced in manufactured gas production processes, including uncollectible residual accounts.
B. This account shall be so kept as to show the amount of expense
applicable to each type of residual.

D C 1728. Steam Produced--Credit

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

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

NATURAL GAS PRODUCTION

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

D 1730. Supervision and Labor

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

C 1731. Supervision

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

C 1732. Operation Labor

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

C 1733. Maintenance Labor

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

D 1740. Materials, Supplies and Expenses

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

C 1741. Operation Supplies and Expenses

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

ITEMS

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

C 1742. Maintenance Materials and Expenses

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

ITEMS

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

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

3. Minor items added to plant

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

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

D C 1746. Gas Well Royalties and Rents

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

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

D C 1747. Rents for Unoperated Leases

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

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

D C 1748. Other Natural Gas Rents

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

ITEMS

1. Rents for right to lay and maintain field lines

2. Rents for measuring and regulating station sites on production
system

D C 1749. Non-productive Well Drilling Expenses

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

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

D C 1750. Residuals Produced--Credit

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

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

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

D C 1751. Residuals Expense
A. This account shall include all expenses incurred in handling, preparing and marketing residuals produced in natural gas production processes, including uncollectible residual accounts.
B. This account shall be so kept as to show the amount of expense applicable to each type of residual.

D C 1752. Natural Gas Production--Credit
This account shall be credited with the cost of natural gas which is produced by the utility and which is used in manufactured gas production and charged to account 1712, Coal Gas Fuel. This account shall also be credited with the cost of natural gas produced by the utility and used in gas well construction. The cost to be so accounted for shall include amounts charged in accounts 1730 to 1751, inclusive, and account 1503.

MISCELLANEOUS PRODUCTION

D C 1755. Gas Purchased
A. This account shall include the cost at the point of delivery to the utility of all gas purchased for resale, including charges for readiness to serve. This includes gas purchased for reforming.
B. When the contract is a reciprocal one, i.e., when either party thereto may take gas from the other, the amount payable for the gross quantity of gas received shall be charged hereto in each accounting period and the amount receivable for the gross quantity supplied to the other party shall be included in the appropriate revenue account.
C. The records supporting the entries to this account shall be so kept as to show for each company from which gas is obtained the type of gas, the point of delivery, the quantity thereof, the basis of the charges, and the amount payable therefor.

D C 1756. Other Production Expenses
A. This account shall include any production expenses, including expenses incurred directly in connection with the purchase or storage of gas, which are not provided for in other production expense accounts.
B. This account shall also include, in a separate subdivision thereof, amounts debited or credited to reflect the decrease or increase in the cost of gas in storage at the end of the accounting period. However, if the variation in the cost of gas in storage is negligible in amount, such entries need not be made.

TRANSMISSION AND DISTRIBUTION EXPENSES

D 1760. Supervision and Labor
This account shall include items provided for in accounts 1761 to 1765.
C 1761. Supervision
This account shall include the cost of supervising and directing the operation and maintenance of the transmission and distribution systems.

C 1762. Operation Labor
This account shall include the pay of employees for the time during which they are engaged in operating the transmission and distribution systems, except labor on work on customers' premises (chargeable to account 1763) and labor on street lighting (chargeable to account 1765). (See also note hereunder.)
ITEMS

1. Attending gates and valves
2. Keeping maps and other transmission and distribution operating records
3. Labor, mixing gas
4. Operating holder valves
5. Patrolling
6. Pressure, recording of
7. Pumping drips
8. Recording holder readings

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

C 1763. Labor on Customers' Premises

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

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

C 1764. Maintenance Labor

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

ITEMS

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

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

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

C 1765. Street Lighting Labor

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

ITEMS

1. Cleaning fixtures
2. Recording pressure
3. Renewing lights
4. Repairs to system
5. Restoring the condition of damaged property (See note below.)
6. Routine inspection and tests
7. Testing for and clearing trouble

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

D 1770. Materials, Supplies and Expenses
This account shall include items provided for in accounts 1771, 1772 and 1773.

C 1771. Operation Supplies and Expenses
This account shall include the cost of all supplies, tools, etc., used and miscellaneous expenses incurred in operating the transmission and distribution systems, excepting materials, supplies and expenses used in maintenance and on the street lighting systems.

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

C 1772. Maintenance Materials, Supplies and Expenses
This account shall include the cost of materials and supplies used and expenses incurred in repairing and maintaining transmission and distribution system property (excepting the street lighting systems), but including materials and supplies used and expenses incurred in work on customers' premises.

ITEMS

1. Meter repair materials
2. Paving repair materials
3. Replacing or adding minor items of property (See gas plant instruction ð 322.2, subd. (c).)
4. Transportation, shop and stores expenses, if clearing accounts are used
5. Work done by others

C 1773. Street Lighting Materials, Supplies and Expenses
This account shall include the cost of materials and supplies used and expenses incurred in operating, repairing and maintaining the street lighting systems. This includes, in addition to materials and supplies used on repairs to street lighting property, such items as lamps, glassware, etc., but does not include the cost of replacing items designated as "units of property."

D C 1776. Rents
A. This account shall include all rents for property of others used, occupied, or operated in connection with the transmission or distribution system. Taxes paid on such property shall be charged hereto. (See also gas plant instruction ð 322.8.)
B. If the leased property is used by more than one department of the utility; the rental (and taxes) shall be apportioned on an equitable basis to the departments making use of the property. If a portion of the rented property is subleased, the revenue therefrom shall be included in account 1610, Rent from Gas Operating Property.

D C 1777. Miscellaneous Expenses
This account shall include transmission and distribution expenses not elsewhere provided for, including amounts payable to others for transmission of gas.
CUSTOMERS' ACCOUNTING AND COLLECTING EXPENSES

D 1780. Meter Reading, Accounting and Collecting
This account shall include items provided for in accounts 1781 and 1782.

C 1781. Meter Reading
This account shall include the pay of employees engaged in reading customers' meters, and the cost of supplies used and expenses incurred in connection therewith.

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

C 1782. Accounting and Collecting
This account shall include the pay and expenses of employees engaged on customers' applications, contracts, orders, complaints, and inquiries, and in making credit investigations, billing, collecting customers' bills, and bookkeeping; and the cost of supplies used and expenses incurred in connection therewith.

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

D C 1783. Uncollectible Accounts
This account shall be charged each month with amounts sufficient to provide for losses from uncollectible gas revenues. Concurrent credits shall be made to account 1254, Reserve for Uncollectible Accounts. Losses from uncollectible accounts shall be charged to such reserve.

D C 1784. Rents
A. This account shall include rents for property of others used, occupied, or operated in connection with customers' accounting and collecting, such as for a commercial office. Taxes paid on such property shall be charged hereto. (See also gas plant instruction § 322.8.)

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

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

SALES PROMOTION EXPENSES

D C 1786. Sales Expenses
This account shall include the cost of labor employed and expenses incurred for the purpose of promoting the sale of gas, other than merchandising, jobbing or contract work activities.

ITEMS

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

D C 1789. Merchandising, Jobbing and Contract Work

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

B. This account shall be subdivided as follows:

1789.1 Revenues from Merchandising, Jobbing and Contract Work
1789.2 Cost of Merchandising, Jobbing and Contract Work

ADMINISTRATIVE AND GENERAL EXPENSES

D C 1790. Salaries of General Officers
This account shall include the compensation (salaries, bonuses and other consideration for services) of officers and executives of the utility, properly chargeable to gas operations and not chargeable directly to a particular gas function.

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

D C 1791. Other General Office Salaries
This account shall include the compensation of employees engaged in the general offices properly chargeable to gas operations and not chargeable directly to a particular gas function.

D C 1793. General Office Expenses
This account shall include the expenses of general officers and general office employees, and the cost of office supplies and office expenses in connection with the general administrative functions of the utility's gas operations.

ITEMS

1. Books and periodicals for office use
2. Building service (not including rent)
3. Meals and hotel bills
4. Membership fees and dues in trade, technical and professional associations
5. Office supplies
6. Postage
7. Printing
8. Stationery
9. Telephone, telegrams, etc.
10. Traveling expenses

D 1795. Special Services

A. This account shall include amounts payable to any corporation, firm or individual, other than officers and employees of the utility, for special services to the gas department for general supervision and
management services and expenses, and for legal and other special services and expenses.

ITEMS

1. Service:
   (a) Auditing and accounting
   (b) Legal
   (c) Management
   (d) Rates
   (e) Secretarial
   (f) Statistical
   (g) Supervisory

2. Expenses:
   (a) Hotel
   (b) Meals
   (c) Printing
   (d) Stationery
   (e) Traveling

B. Class C utilities shall subdivide this account as follows:
   C 1795.1 Management and Supervision
   C 1795.2 Legal Services
   C 1795.3 Other Special Services

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

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

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

D. C 1797. Regulatory Commission Expenses
   A. This account shall include all expenses (except pay of regular employees only incidentally engaged in such work), properly includible in gas operating expenses, incurred by the utility in connection with formal cases before regulatory commissions, or other regulatory bodies, or cases in which such a body is a party, including payments made to a regulatory commission for fees assessed against the accounting utility for pay and expenses of such commission, its officers, agents, and employees.

   B. Amounts of regulatory commission expenses which are spread over future periods shall be charged to account 1146, Miscellaneous Deferred Debits, and amortized by charges to this account. (See general instruction 6 321.4.)

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

   D. The costs which may be partly chargeable to this account and partly to the other accounts enumerated in notes A and B to account 1795 shall be equitably apportioned, and the basis of allocation to the several
accounts shall be submitted to this commission.

ITEMS

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

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

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

   Note B: Do not include in this account costs incident to the construction of gas property, which are chargeable to the tangible gas plant accounts. Costs incurred in connection with property purchases shall be accounted for as provided in paragraph D of account 1106, Unclassified Gas Plant. Costs incurred incident to the issuance of long-term debt shall be charged to account 1140, Unamortized Debt Discount and Expense, or account 1240, Unamortized Premium on Debt, as applicable; costs incurred incident to the issuance of capital stock shall be charged to account 1151, Capital Stock Expense.

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

   D C 1798. Insurance, Injuries and Damages

A. This account shall include the cost of insurance to protect the utility against the following losses and damages:
   (1) Losses and damages to owned or leased property used in its gas operations such as by fire, storm, burglary, boiler explosion, lightning, etc.
   (2) Protection against claims for injuries or deaths to employees or others, or damages to the property of others, including public liability, property damage, boiler, casualty, employees' liability, etc.
   (3) Other losses which occur in connection with gas operations, and payments and expenses on account of damages for nonperformance of contractual obligations

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

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

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

   Note B: The utility shall so keep its records as to show the amount of coverage for each class of insurance carried, the property covered, the applicable premiums, and the distribution of the costs to specific
operations or functions. If the utility carries reserves for self-insurance, it shall maintain records to show the types of losses against which such reserves are maintained, and the basis of the accruals to the reserves for each risk covered.

D C 1800. Other General Expenses

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

B. This account shall not include any charges representing amounts used or to be used for the purchase of securities of the accounting company or any associated company, whether contributed by the accounting company or deducted from salaries and wages of employees, unless and until such amounts have actually been realized and paid to the employees in cash or its equivalent subject to their free disposition. To the extent that the securities thus purchased have an actual market value, the amounts paid for them may be carried meanwhile in account 1114, Miscellaneous Investments and Special Funds; otherwise such amounts shall be charged to account 1538, Miscellaneous Income Deductions. (See general instruction ñ 321.7.)

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

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

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

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

D C 1802. Operation and Maintenance of General Property

This account shall include the cost of operating and maintaining general buildings and general office furniture and equipment.
D C 1803. General Rents
A. This account shall include rent, covering the property of others used, occupied, or operated in connection with the general and administrative functions of the utility, such as general offices. Taxes paid on such property shall be charged hereto. (See also gas plant instruction 322.8.)
B. If the leased property is used by more than one department of the utility, the rental (and taxes) shall be apportioned on an equitable basis to the departments making use of the property. If a portion of the rented property is subleased, the revenue therefrom shall be included in account 1610, Rent from Gas Operating Property.
Note: If the commercial office and the general office occupy space jointly and the allocation of the rental to each office is not practicable, the entire amount of such rental may be included in this account.

D C 1805. Franchise Requirements
A. This account shall include payments to municipal or other governmental authorities, and the cost of materials, supplies and services furnished such authorities without reimbursement in compliance with franchise, ordinance, or similar requirements, provided, however, that the utility may charge to this account at regular tariff rates, instead of cost, gas furnished without charge under provisions of franchises.
B. When no direct outlay is involved, concurrent credits for such charges shall be to account 1806, Duplicate Charges--Credit.
Note A: Taxes shall not be charged to this account. (See account 1507, Operating Taxes.)
Note B: The cost of plant, supplies, etc., given as an initial consideration for a franchise running for more than one year shall be charged to account 1302, Franchises and Consents.

D C 1806. Duplicate Charges--Credit
A. This account shall include concurrent credits for charges which are made to account 1805, Franchise Requirements, to the extent that such charges do not represent direct outlays. It shall also include concurrent credits for charges made to operating expense or other accounts of the gas department for gas or steam for heating for which there is no direct money outlay.
B. This account shall be so kept as to disclose the nature and amount of each item included herein.

D C 1807. Administrative and General Expenses Transferred--Credit
A. This account shall be credited with amounts recorded in the administrative and general expenses which are properly includible in construction costs, covering the portion of the pay and expenses of general officers, clerks, and others when engaged on construction work.
B. The records supporting this account shall be so kept as to show the basis of determining the amounts transferred to construction.
Note: See gas plant instruction, paragraph (5) of subdivision (a) of section 322.3.

D C 1808. Joint Expenses--Debit
D C 1809. Joint Expenses--Credit
A. A joint facility for the purpose of this system of accounts is defined as any property occupied or used jointly by the utility and another or others under a definite arrangement whereby the actual costs are shared between or among the parties. Property of the utility
occupied or used under a similar definite arrangement between the gas department and a coordinate department or departments shall likewise be considered as a joint facility.

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

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

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

D C 1810. Stores, Shop and Laboratory Expenses

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

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

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

FOOTNOTE: (4) Supplied by editor.

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

D C 1811. Transportation Expenses

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

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

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

CLEARING ACCOUNTS

REQUIRED

D C 1901. Charges by Associated Companies--Clearing

OPTIONAL

1902. Stores Expenses--Clearing

1903. Transportation Expenses--Clearing

1905. Shop and Laboratory Expenses--Clearing

REQUIRED

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

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

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

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

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

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

1902. Stores Expenses--Clearing (Optional)

A. This account shall include the cost of labor and expenses incurred in the operation and maintenance of the storerooms (other than those identified only with a particular function) including storage, handling and distribution of materials and supplies.

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

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

ITEMS

1. Adjustments of inventories of materials and supplies
2. Collecting and handling scrap materials in stores
3. Depreciation of storeroom equipment
4. Discount on materials, when not assignable to specific items
5. Freight, express, etc., when not assignable to specific items
6. Heat, light and power for storerooms and stores offices
7. Injuries and damages
8. Inspecting and testing materials and supplies, when not assignable to specific items
9. Insurance on materials and supplies and on stores equipment
10. Losses due to breakage, leakage, evaporation, fire and other causes. Credit any amounts received from insurance, transportation companies or others in compensation of such losses
11. Maintenance of stores equipment
12. Pay and expenses of storekeepers, clerks and others employed in storerooms or in store offices
13. Purchasing agents' fees, portion applicable to items carried through this account
14. Purchasing agents' pay and expenses, portion applicable to items carried through this account
15. Rents (See also gas plant instruction 322.8.)
16. Transporting materials into storehouse, when not assignable to specific items

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

1903. Transportation Expenses--Clearing (Optional)
A. This account shall include the cost of labor and expenses incurred in the operation and maintenance of the gas general transportation equipment, including direct taxes and depreciation on transportation equipment.
B. This account shall be cleared by apportionment to operating expense, gas plant, or other accounts benefited on a basis which will distribute the expenses equitably. Credits to this account shall be made in such detail as to permit ready analysis.

ITEMS
1. Depreciation of transportation equipment
2. Feed and bedding for horses and mules
3. Fuel and lubricants for vehicles (including sales and excise taxes thereon)
4. Freight, express, drayage, etc., on fuel, repair parts, etc.
5. Heat, light and power for garage and garage office
6. Injuries and damages
7. Insurance on garage equipment and transportation equipment including public liability and property damage
8. License fees for vehicles and drivers
9. Maintenance of transportation and garage equipment
10. Operation of garages and stables
11. Pay and expenses of drivers, mechanics, etc.
12. Rent of garage buildings and grounds (See also gas plant instruction 322.8)
13. Rent of vehicles and other rents
14. Taxes, direct, such as on gasoline, oil, tires, etc.
15. Tires, tubes and chains

1905. Shop and Laboratory Expenses--Clearing (Optional)
A. This account shall include the cost of labor and expenses incurred in the operation and maintenance of shops and laboratories of the utility, other than those identified wholly with a particular function.
B. This account shall be cleared by apportionment to operating expense, gas plant, or other accounts benefited on a basis which will distribute the expenses equitably. Credits to this account shall be made in such detail as to permit ready analysis.
C. If a laboratory is maintained at a production plant in connection with the operation of the plant, the costs incident to its operation and maintenance shall be charged to the appropriate production expense account.

ITEMS
1. Charts
2. Collecting and handling scrap materials
3. Depreciation of equipment
4. Heat, light and power
5. Injuries and damages
6. Insurance on equipment and supplies
7. Pay and expenses of superintendents, machinists, chemists and other employees in shops or laboratories
8. Rents (See also gas plant instruction 322.8.)
9. Repairs to equipment
PART 350
UTILITY CONTRACT AND PROCUREMENT PROCEDURES
(Statutory authority: Public Service Law, § 115)

Sec. 350.1 Utility contract and procurement procedures

Section 350.1 Utility contract and procurement procedures.
(a) Every gas corporation subject to the jurisdiction of this Commission with annual gross operating revenues in excess of $5,000,000 shall file, in accordance with the requirements of § 3.5 of this Title, with this Commission the procedures which govern the contracting for and procurement of services, equipment or materials to be used in its utility operations. The statement shall:
   (1) Describe the circumstances in which cost estimates will be prepared and the procedures for awarding a contract which exceeds such an estimate. Such estimates, when prepared:
      (i) shall be related to market conditions and trends as well as the utility's own experience; and
      (ii) where competitive bidding is employed, shall remain confidential until after the bids are opened.
   (2) where competitive bidding is employed, specify the procedures used in preparing and maintaining lists of qualified bidders by geographical area, type of material or service provided, and degree of capability, including:
      (i) the criteria used for including or excluding bidders;
      (ii) a description of the circumstances in which all bidders on such a list will not be solicited in instances where the utility uses competitive bidding; and
      (iii) a provision that in the absence of such a list, all requests to be allowed to bid that are not honored, shall be reviewed within the utility.
   (3) Where competitive bidding is employed, specify the procedure to be employed to ensure that sealed bids are opened at the time and place specified.
   (4) Specify the procedure employed in making awards in the absence of bids or, where competitive bidding is employed, to a person other than the low bidder.
   (5) Specify the procedures employed in reviewing contract expenditures, relating such expenditures to any cost estimate, the amount of the award and existing market conditions.
   (6) Include a requirement for disclosure to the utility of any ownership or beneficial interest in potential suppliers by employees involved in specifying or procuring services, equipment and material
which requirement shall provide that no employee in the purchasing
department nor anyone with authority to review or approve a purchasing
decision shall have such an interest except in accordance with such
rules as the utility may develop and file with this Commission.

350.2 Filing of changes in procedure.
Each such electric, gas and steam corporation shall file with this
commission any change in these procedures at least 30 days before they
are to be effective, unless otherwise authorized by this commission.

PART 351
CONTRACTS OR AGREEMENTS FOR THE CONSTRUCTION, IMPROVEMENT,
EXTENSION OR MAINTENANCE OF UTILITY PLANTS
(Statutory authority: Public Service Law, § 115)

Sec.
351.1 Filing of proposed contract
351.2 Subcontract on cost-plus basis
351.3 Emergency contract
351.4 Quarterly filing of contract
351.5 Waiver of rule

Section 351.1 Filing of proposed contract.
(a) Every public utility company subject to the jurisdiction of this
commission shall file, in accordance with the requirement of § 3.5 of
this Title, with this Commission one copy of every proposed cost-plus
contract or agreement, including those contracts or agreements in which
the payment to be made by the utility is based on time and material
consumed regardless of the number of units completed, for the
construction, improvement or extension of its plant, works or system
exceeding in amount $100,000 in any calendar year, and a list of any
other offers received, and such contract or agreement shall not become
effective until it has been on file with this Commission for 30 days, or
until the Commission has notified the utility that such contract or
agreement may be made effective immediately. If during the 30 day
period, the Commission determines that it is in the public interest for
the contract or agreement for the work proposed to be performed shall be
let after public bidding, the Commission will notify the public utility
company, and the filed contract or agreement will not become effective.
In such circumstances the public utility shall proceed to make a public
offering of the proposed work in accordance with the direction of the
Commission.

(b) When the accumulated amount of all other such contracts or
agreements awarded to a single contractor in any calendar year has
exceeded $100,000, a list of such contracts, including any other offers
received, shall be filed, in accordance with the requirements of § 3.5
of this Title, with the Commission by March 1 of the succeeding year.

351.2 Subcontract on cost-plus basis. In view of the fact that a
so-called subcontract covering any part of the work to be performed
under a cost-plus contract or agreement entered into by a public utility
company is, in effect, the contract or agreement of the public utility
company within the meaning of § 115 of the Public Service Law, every
such subcontract on a cost-plus basis, proposed to be let under a
principal contract or agreement which is subject to § 351.1 hereof,
shall be filed, in accordance with the requirements of § 3.5 of this Title, with the Commission in accordance with the requirements of provisions of such section. All such contracts or agreements shall contain suitable provisions to give effect to the provisions of this Part. This section shall not apply to a subcontract which provides by its terms that the maximum payment thereunder shall not exceed the sum of $5,000.

351.3 Emergency contract. In case a storm, flood, accident or similar emergency requires that a contract or agreement be made without complying with the foregoing provisions of this Part in order to maintain or restore the company's service, immediate notice shall be given to the Commission by telephone of the making of such contract or agreement, and a copy thereof shall be filed in accordance with the requirements of § 3.5 of this Title, as soon as possible, but not later than 10 days after the making thereof, and such contract or agreement shall be exempted from the other provisions of this Part.

351.4 Quarterly filing of contract. Every public utility company subject to the jurisdiction of this commission shall file with this commission quarterly, one copy of every contract or agreement for the construction, improvement, extension or maintenance of its plant, works or system exceeding in amount $1,000,000 in any calendar year, and a list of any other offers received.

351.5 Waiver of rule. Any public utility company may apply to this commission for a waiver or modification of all or part of the requirements of this Part upon a showing that compliance therewith would be impracticable or unduly burdensome in connection with a particular project, contract or agreement.

PART 352
LIMITATION OF LIABILITY CLAUSES--GAS CORPORATIONS
(Statutory authority: Public Service Law, § 115)

Sec. 352.1 Prohibition of certain limitation of liability provisions

Section 352.1 Prohibition of certain limitation of liability provisions.

Every gas corporation, electric corporation and gas and electric corporation shall, where necessary, amend its filed tariff schedules by eliminating therefrom:

(a) Provision attempting to relieve such corporation from liability arising from the gross negligence or willful misconduct of its officers, agents or servants.

(b) Provisions limiting the liability of the corporation for damages resulting from its own negligence in connection with the property owned, installed or maintained by a customer or leased by a customer from a third party.

(c) Provisions limiting the liability of the company for any damages resulting from the negligence of the company in connection with the supplying or use of electricity or gas or from the presence or operation of the company's structures, equipment, wires, pipes, appliances or devices on the consumer's premises.
CHAPTER IV
Steam Utilities

SUBCHAPTER A
Service

PART
400 Installation of House Service Equipment, Operating Conditions, and Testing of Meters and Steam Quality by Corporations Having 1,000 Installed Customers' Meters

Sec.
400.1 Definitions
400.2 General
400.3 Reference standards
400.4 Referee tests
400.5 Meter records
400.6 Schedule of testing steam meters
400.7 Rules for testing steam meters
400.8 Determination of steam meter performance
400.9 Reporting of tests of steam meters
400.10 Form for reporting complaint, periodic and office tests
400.11 Quality of steam
400.12 Form for reporting steam quality tests
400.13 Schedule for testing of pressure compensated counters
400.14 Testing of pressure compensated counters
400.15 Referee tests of pressure compensated counters
400.16 Adjustments on pressure compensated counters
400.17 Reports of tests of pressure compensated counters

Section 400.1 Definitions. (a) A complaint test is a test of a meter, made by a utility as a result of a complaint made to the utility by a customer.

(b) A periodic test is a scheduled test of a meter, made by a utility at fixed intervals, in accordance with the meter testing schedule contained herein.

(c) An office test is a test of a meter, made by a utility at the direction of an officer or employee of the utility.

(d) A referee test is a test of a meter, made or witnessed by a
representative of the commission as a result of a complaint made to the commission by a customer.

(e) The term meter, when used with respect to a steam flow meter of the velocity type in conjunction with a main line orifice or to a steam flow meter of the head type, refers to the secondary element (flow mechanism).

400.2 General. (a) The rules and regulations contained herein are promulgated to establish minimum requirements for the guidance of utilities in controlling operating conditions and in instituting practices in connection with the installation, testing and maintenance of steam meters and steam service equipment.

(b) For the purpose of these rules and regulations, the term utilities shall include all corporations which distribute steam under the jurisdiction of the commission and which have 1,000 or more meters installed on customers' premises.

(c) Each utility shall provide adequate meter testing facilities and shall have all meters, used or intended to be used for the purpose of billing customers, tested as required by the rules and regulations contained herein.

(d) No utility shall use for the purpose of billing customers any steam meter or accessory equipment which affects or determines the measurement of the quantity of steam furnished to or for the use of any customer, the type of which shall not have been approved by the commission.

(e) Application for approval by the commission of a type of steam meter, including any accessory equipment which affects or determines the measurement of the quantity of steam furnished to or for the use of any customer, shall be submitted by a utility by whom such meter is intended to be used.

(f) Provision shall be made to insure that a condensate type meter will in no case operate under pressure.

(g) The installation of a head type flow meter shall conform with the applicable provisions set forth in the American Society of Mechanical Engineers Standards covering flow measurement (presently designated as PTC 19.5; 4-1959), in effect at the time of meter installation.

(h) Each utility shall maintain its equipment in customers' premises in good condition.

(i) Each utility shall keep a record of the average pressure which exists each month at pressure recording stations throughout its system.

(j) Each steam meter in service shall have affixed thereto, in a permanent manner, an identifying number or designation.

400.3 Reference standards. (a) Tests to determine the effective area of all orifice plates used in testing steam meters shall be made at least once each six months, and a record of these tests shall be retained for a period of two years.

(b) The gauges, scales, thermometers, etc., used in making tests shall be calibrated at intervals consistent with good laboratory practice.

400.4 Referee tests. (a) In a referee test, a representative of the commission will seal the meter or meter device involved, and will notify the utility within 24 hours that such meter or device has been sealed.

(b) In a referee test, the seals for the meter or the meter device
involved shall be opened only in the presence of a representative of the
commission. The meter or meter device shall be tested under the
direction of a representative of the commission.

(c) When, in a referee test, the percentage registration of a meter is
found to be more than 102 percent, no charge shall be made for such
test. If, however, as a result of such test, the percentage registration
of the meter is found to be 102 percent or less, a charge shall be made
to the customer by the utility based on the following schedule:

<table>
<thead>
<tr>
<th>Type of Meter</th>
<th>Capacity or Size</th>
<th>Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Condensate</td>
<td>3000 lbs. per hr. or less</td>
<td>$25.00</td>
</tr>
<tr>
<td>Area</td>
<td>1 in.</td>
<td>25.00</td>
</tr>
<tr>
<td>Area</td>
<td>1 1/2 in.</td>
<td>25.00</td>
</tr>
<tr>
<td>Area</td>
<td>2 in.</td>
<td>50.00</td>
</tr>
<tr>
<td>Area</td>
<td>3 in.</td>
<td>75.00</td>
</tr>
<tr>
<td>Area</td>
<td>4 in.</td>
<td>100.00</td>
</tr>
<tr>
<td>Area</td>
<td>6 in.</td>
<td>150.00</td>
</tr>
<tr>
<td>Area</td>
<td>8 in.</td>
<td>300.00</td>
</tr>
<tr>
<td>Velocity</td>
<td>1 in.</td>
<td>25.00</td>
</tr>
<tr>
<td>Velocity</td>
<td>2 in.</td>
<td>25.00</td>
</tr>
<tr>
<td>Velocity</td>
<td>3 in.</td>
<td>50.00</td>
</tr>
<tr>
<td>Velocity</td>
<td>4 in.</td>
<td>50.00</td>
</tr>
<tr>
<td>Head</td>
<td>All</td>
<td>100.00</td>
</tr>
</tbody>
</table>

400.5 Meter records. (a) For all steam meters installed on customers' premises records shall be maintained which identify the year purchased, the manufacturer, the type, the identifying number, the nameplate data relative to the rating of the meter, the location, and the date of last test. Such records shall be sufficient to identify all associated meters and accessory equipment affecting the accuracy of the billing.

(b) The test record of each meter and meter device installed on customers' premises shall be retained until a superseding test is made, but for a period of not less than two years.

400.6 Schedule of testing steam meters. (a) Each steam meter shall be tested prior to installation at a location or within 30 days after initially being placed in service at that location.

(b) All steam meters installed upon customers' premises shall be tested in accordance with the following schedule:

1) Meters of the condensate type--at least 25 percent of the total number of meters of such type in service shall be tested in each calendar year, the required number of meters to be tested being selected from those longest without test.

2) Meters of the area type shall be tested at least once every five years.

3) Meters of the velocity type--at least 20 percent of the total number of meters of such type in service shall be tested in each calendar year, the required number of meters to be tested being selected from those longest without test.

4) Meters of the head type shall be tested at least once every year.

400.7 Rules for testing steam meters.

(a) All meters shall be adjusted to register accurately with a
tolerance of not more than two percent.
(b) Steam flow meters--area and velocity types. (1) Steam flow meters of the area and velocity types shall be tested using air or steam as the testing medium except as provided in section 400.4(b) of this Part.

(2) In tests employing steam as the testing medium, the steam used shall in no case contain more than one percent moisture and may be slightly superheated.

(3) In tests employing either air or steam as the testing medium and flow tubes with orifices as the reference standards, the test equipment and test procedure shall conform with the applicable provisions set forth in the American Society of Mechanical Engineers Standards, covering flow measurement (presently designated PTC 19.5; 4-1959), in effect at the time of test.

(4) In tests conducted in accordance with paragraph (3) of this subdivision, meters shall be tested at the load points specified below:

   (i) Area type meters. One test shall be made at each of six load points starting at approximately one-sixth load and continuing in equal steps to 100 percent of meter rating.

   (ii) Velocity type meters. Two tests shall be made at each of three load points approximately equal to 50 percent, 60 percent and 70 percent of meter rating.

(5) In tests employing steam as the testing medium and a condensate weighing scale as the reference standard, meters shall be tested at the load points specified below:

   (i) Area type meters. Two tests shall be made at each of six load points starting at approximately one-sixth load and continuing in equal steps to 100 percent of meter rating.

   (ii) Velocity type meters. Two tests shall be made at each of three load points approximately equal to 50 percent, 75 percent and 100 percent of meter rating.

(6) Each main line metering orifice plate used in conjunction with a steam flow meter of the velocity type shall be inspected and its diameter measured for conformity with the original installation at least once every five years.

(7) The diameter of each main line metering orifice plate removed from service shall be measured and entered on a record which shall be retained for a period of at least one year.

(c) Steam flow meters--head type. (1) The test made in accordance with section 400.6(a) of this part of steam flow meters of the head type shall consist of the following:

   (i) Certification of the primary element, including the orifice plate, for conformance with the applicable provisions set forth in the American Society of Mechanical Engineers Standards, covering flow measurement (presently designated PTC 19.5; 4-1959), in effect at the time of the test.

   (ii) Verification of the correctness of the meter constant.

   (iii) The test of the secondary element (flow mechanism) shall be made in place on the customer's premises at each of five load points approximately equal to 20 percent, 40 percent, 60 percent, 80 percent and 100 percent of meter rating.

(2) On subsequent tests, the procedure in subparagraph (1) (iii) of this subdivision shall be followed.

(3) Each metering orifice plate shall be inspected and its diameter measured for conformity with the original installation at least once every five years.
(4) The diameter of each metering orifice plate removed from service shall be measured and entered on a record which shall be retained for a period of at least one year.

(d) Steam condensate meters. (1) Steam condensate meters shall be tested using water as the testing medium.

(2) Two tests shall be made at each of two load points with the meter passing a known quantity of water at rates of flow approximately equal to first, 100 percent and second, 50 percent of meter rating.

NYCRR 400.8 Determination of steam meter performance. (a) When the results of two tests at a given load fail to agree within two percent, additional tests up to a total of four, shall be made at that load until agreement within two percent is obtained on any two tests. If such agreement is not obtained the meter registration shall be reported as "Indeterminate".

(b) The percentage registration shall be reported as "Indeterminate" when for any reason there is doubt as to whether the accuracy of registration can be determined. See subdivision (c) of this section.

(c) The percentage registration shall be reported as "Non-registering" if for any reason a meter is found not registering at the specified test points. See subdivision (b) of this section.

(d) The percentage registration of the meter shall be determined by arithmetically averaging the results obtained at the specified test points, except that for condensate meters the percentage registration shall be obtained by multiplying the average of the test results at 50 percent of meter rating by two, adding the average of the test results of 100 percent of meter rating and dividing the total by three.

NYCRR 400.9 Reporting of tests of steam meters.

(a) Reports of complaint, periodic and office tests of steam meters shall be made each month and filed with the commission not later than the 15th day of the following month on forms 8 1/2 x 11 inches in size as shown in section 400.10 of this Part.

(b) If no complaint, periodic or office tests are made, the form shown in section 400.10 of this Part shall be filed regularly bearing the statement "NO TESTS MADE".

NYCRR 400.10 Form for reporting complaint, periodic and office tests.

The reports of complaint, periodic and office tests of steam meter shall be made in the form designated "Complaint, Periodic and Office Tests." (See Appendix 8-A.)

NYCRR 400.11 Quality of steam.

(a) The quality of steam furnished to the customer shall not fall below 95 percent (steam shall not contain more than five percent condensate by weight) except under abnormal conditions that cannot be foreseen nor guarded against.

(b) A test to determine the quality of steam supplied at a customer's premises shall be made by the utility when requested by the commission.

(c) Tests of steam quality shall be made by a throttling type or a separating type of calorimeter in conformance with the applicable provisions set forth in the American Society of Mechanical Engineers Standards, covering quality of steam in effect at the time the test is made (presently designated at PTC 19.11-1959). The utility shall record
the findings of such test on the form hereinafter prescribed.

(d) When a throttling calorimeter is used, three tests shall be made at intervals of not less than 15 minutes. When a separating calorimeter is used, two runs of 10 minutes each, spaced not less than 15 minutes apart shall be made.

(e) Calorimeter sets to be used in steam quality tests shall be calibrated within 48 hours prior to such tests.

(f) Reports of steam quality tests shall be made on forms 8 1/2 x 11 inches in size as shown in section 400.12 of this Part.

400.12 Form for reporting steam quality tests. The report of steam quality tests shall be made in the form designated "Steam Quality Test Record". (See Appendix 8-B.)

400.13 Schedule for testing of pressure compensated counters.

Counters of the pressure compensated type are to be tested before being placed in service and at least once each year thereafter.

400.14 Testing of pressure compensated counters.

(a) The counter shall be tested by applying pressure to the compensating mechanism and rotating the "following" magnet a fixed number of turns as shown in the following table with two readings being taken at each of the test pressures. Should the results of the two tests at any of the test pressures, one taken with the pressure being increased to the test point and the other with the pressure being decreased, vary by more than one percent, additional pairs of tests shall be taken until such agreement is reached. The average of the readings obtained shall be deemed to be the condition of the counter.

(b) If more than four additional pairs of tests are required, the test shall be considered "indeterminate".

(c) The accuracy at each test point shall be determined by the following formula:

\[
\text{Percent Registration} = \left( \frac{\text{Observed Revs. of Counter} \times 100}{4} \right)
\]

<table>
<thead>
<tr>
<th>Pressure in Psig.</th>
<th>No. of Magnet Turns</th>
<th>Correct No. of Counter Turns</th>
</tr>
</thead>
<tbody>
<tr>
<td>87 1/2</td>
<td>29</td>
<td>4</td>
</tr>
<tr>
<td>125</td>
<td>25</td>
<td>4</td>
</tr>
<tr>
<td>186</td>
<td>21</td>
<td>4</td>
</tr>
</tbody>
</table>

400.15 Referee tests of pressure compensated counters.

Pressure compensated counters shall not be removed from Shuntflo meters undergoing referee tests and shall be tested in the presence and under the direction of a representative of the commission.

400.16 Adjustments on pressure compensated counters.

Counters found to be registering with an error exceeding plus or minus one percent shall be adjusted to register accurately with a tolerance of plus or minus one percent.

400.17 Reports of tests of pressure compensated counters.

A report of all installation tests, office tests, periodic tests, and complaint tests made during each year shall be prepared as of December
31st of that year. Such report shall be made in a form satisfactory to the commission and shall be filed with the commission not later than January 31st following the date of the report.

PART 402
CONSUMER DEPOSITS - STEAM CORPORATIONS
(Statutory authority: Public Service Law, ðð 36[3], 66, 80, 89-c, 97, 117)

Sec.
402.1 Records
402.2 Index of consumers
402.3 Interest
402.4 Application of deposit to unpaid bill
402.5 Refund
402.6 Certificate of deposit
402.7 Refund without certificate of deposit
402.8 Circular containing terms of deposit
402.9 Special rule for residential customers who transfer dwelling units

Section 402.1 Records. Each and every steam corporation holding consumer deposits shall keep such records as will show, with respect to each deposit:
(a) the name of the consumer making the deposit;
(b) the address (including street and number) of each depositor, if known;
(c) the date of receipt of the deposit;
(d) the amount of the deposit;
(e) the interest accrued upon the deposit to be entered biennially or more frequently;
(f) all credits of interest made in reduction of amounts billed for service rendered, and the dates of such credits;
(g) all payments of interest made on each deposit, and the dates of such payments;
(h) deductions representing sums due and unpaid to the corporation when depositor ceased to be a consumer, and the date thereof, together with such other information as any such corporation may deem necessary to make a complete record of each deposit.

Section 402.2 Index of consumers. Each and every steam corporation holding consumer deposits shall keep, in addition to the records prescribed in section 402.1 of this Part, an index or indices, alphabetically or geographically arranged, which shall show at all times the name of each consumer from whom a deposit has been exacted, and whose said deposit or any part thereof remains unpaid, with appropriate reference in such index to the consumer’s account.

Sec.
402.3 Interest.
Each and every steam corporation holding consumer deposits shall allow to each depositor simple interest on the amount deposited. The interest rate to be applied to the amount deposited shall be a composite yield of intermediate term, A-rated corporate bonds, as reported in financial publications, less costs of administering deposits of 1.75 per centum per annum. The rate shall be updated effective January 1st each year, based upon yield information available on the first Friday of October of
the preceding year. The commission will issue an advisory letter which publicizes the information to assure consistency. Each corporation shall credit such interest to each depositor whose deposit shall have been held for one year by paying such interest in cash or deducting it from the amount of a bill for steam service rendered such depositor thereafter, but not later than the next bill rendered after the next succeeding first day of October, and at each one-year interval thereafter.

402.4 Application of deposit to unpaid bill. Each and every steam corporation holding consumer deposits shall render to each depositor, when and as his deposit is applied to an unpaid bill or bills, a statement showing:

(a) the bill or bills then due and unpaid;
(b) the amount thereof;
(c) the amount of the deposit, together with the interest accrued thereon and the period covered thereby; and
(d) the balance of the bill or bills remaining unpaid or the balance of the deposit and interest thereon remaining to the credit of the depositor.

402.5 Refund.

Each and every steam corporation holding consumer deposits shall render to each depositor, when his deposit is refunded, a statement showing the amount of the deposit and the date thereof; the amount of unpaid interest accrued thereon to date of the refund and the period covered thereby; and the amount of deposit and interest refunded. Each depositor upon becoming entitled thereto, either by reason of nondelinquency for one year or upon ceasing to be a consumer, may withdraw his deposit and all interest thereon which has not been refunded or credited against bills for service upon surrendering his deposit certificate (or submitting satisfactory proof of ownership of the deposit or of the right to receive the same) and the payment of all bills for which such deposit is security. The "prudent" period of deposit retention, referred to in Public Service Law, section 117, may not exceed two years of nondelinquency in the payment of bills rendered.

402.6 Certificate of deposit. Each and every steam corporation holding consumer deposits shall issue to every consumer from whom a deposit may be exacted a certificate of deposit, for which shall be used a good quality of paper and on which certificate there shall be printed, in addition to the receipt for the moneys deposited, the substance of the following:

THIS RECEIPT IS NOT NEGOTIABLE OR TRANSFERABLE

Interest will be allowed on this deposit so long as it shall remain with the corporation. When this deposit has been held for one year, interest thereon will be paid in cash or credited on a bill for service rendered the depositor thereafter, but not later than the first bill rendered after the next succeeding first day of October, and at the expiration of each succeeding one-year period.

Preserve this receipt to be surrendered when deposit is returned.

402.7 Refund without certificate of deposit. Each and every steam corporation holding consumer deposits shall provide reasonable ways and
means, in such manner as such corporation may elect, whereby a depositor
who makes application for the return of his deposit and is entitled to
the return thereof, but who is unable to produce the original
certificate of deposit or receipt, may not be deprived of his rights.

402.8 Circular containing terms of deposit. Each and every steam
corporation holding consumer deposits shall keep on hand for
distribution to its consumers printed circulars, over its corporate or
business name, which circulars shall be entitled "TERMS AND CONDITIONS
UPON WHICH CONSUMERS' DEPOSITS ARE COLLECTED, HELD, AND MAY BE
WITHDRAWN" and which shall contain a copy of this Part, a copy of Public
Service Law, section 117 (as added by L. 1976, ch. 557) and such other
pertinent information as the corporation may elect. Every such
corporation, prior to or upon exacting a deposit, shall furnish a copy
of said circular to the consumer or applicant for service from whom a
deposit is demanded.

402.9 Special rule for residential customers who transfer dwelling
units. No steam corporation may require a deposit of a residential
customer where such customer transfers residences within such
corporation's service territory and continues service with such
corporation if the residential customer was not required to post a
security deposit or had a security deposit returned pursuant to section
117 of the Public Service Law.

SUBCHAPTER B
Securities
PART
410 Notice of Issuance by Steam Corporations of Stocks, Bonds, Notes, or
Other Evidences of Indebtedness

Sec.
410.1 Contents of notice
410.2 Issuance not heretofore reported

Section 410.1 Contents of notice.
Pursuant to the provisions of section 82 of the Public Service Law, as
amended, every steam corporation subject to said section, after the
issuance or assumption of stocks, bonds, notes or other evidences of
indebtedness, including bonds, notes or other evidences of indebtedness,
payable on demand or within less than 12 months, shall file with this
commission a notice of such transaction within the time and in the form
specified in the following:
(a) Name of reporting utility (indicate whether corporation,
partnership, individual, or other party).
(b) Address of reporting utility.
(c) The name of the official responsible for statements submitted and
to whom should be addressed any correspondence relating thereto.
(d) Date of the report.
(e) Period covered by the report (both dates inclusive where
applicable).

(f) Information regarding securities and obligations issued.

(1) Pursuant to authority granted by order of this commission:

(i) Notice of issuance shall be filed within the period specified in the order approving the issuance of the securities or obligations.

(ii) Issuance of capital stock, in exchange for convertible securities issued pursuant to commission authorization, may be reported annually, not later than 60 days after the end of the calendar year covered by the report; such report to show only the number of shares of such stock issued during such calendar year, the securities retired by reason of the exchange, and the additional consideration realized, if any, by reason of the exchange.

(iii) For each type of security or obligation, include the following information, as appropriate:

(a) Designation of security--classified according to distinguishing characteristics, such as class of stock of par value or no par value and dividend rate of preferred stock, or character of debt obligation and interest rate or maturity date or other distinguishing characteristic.

(b) Date of actual issue or assumption.

(c) Number of shares of each class of stock or principal amount of each debt obligation issued.

(d) Consideration realized from each class or type of security (if consideration is other than cash, give description and basis of value).

(e) Case number and date of order of this commission under which the security issue was authorized.

(2) Securities issued or assumed under circumstances not requiring the formal approval of this commission, such as obligations (real estate mortgages, chattel mortgages, conditional sales agreements, promissory notes, etc.) having a term of less than 12 months:

(i) Notice of issuance set forth the transaction covering obligations issued during each calendar month and shall be filed not later than 10 days after the end of the calendar month covered by such report.

(ii) For each type of obligation of $10,000 face amount or more, include the following information as appropriate:

(a) Designation of the obligation giving descriptive distinguishing characteristics. Include description of real estate mortgage, chattel mortgage, conditional sale agreement, or any hypothecation of assets given in connection with the obligation.

(b) Date of actual issue or assumption.

(c) Name of payee.

(d) Principal or face amount.

(e) Rate of interest.

(f) Date of maturity (if demand so specify) or schedule of periodic payments.

(g) Names of endorsers, if any.

(h) Consideration realized from issuance of the obligation.

(i) Purpose for which the obligation was issued; if for cash indicate the use to which the proceeds are to be applied.

(j) State whether the obligation represents an increase of indebtedness or an obligation given in renewal of existing obligations or in cancellation of accounts payable. For renewals of obligations of $10,000 face amount or more, give the dates and amounts of the obligations for which the renewal obligation is in whole or in part to be substituted; for renewals of obligations of less than $10,000 face
amount, give the date or month of issuance, the rate of interest, date or month of maturity and the total amount of the obligations for which the renewal obligation is in whole or in part to be substituted. (See subparagraph (iv) of this paragraph.)

(iii) For each type of obligation of less than $10,000 face amount list the information required in subparagraph (ii) of this paragraph or group each type of obligation of less than $10,000 face amount which is identical except for the payee, the exact date of issue or assumption within any one calendar month and the exact date of maturity within any one calendar month. Report for each group the information required in subparagraph (ii)(a), (e), (g), (h), (i) and (j) of this paragraph but substitute for subparagraph (ii)(b), (c), (d) and (f), the following: (b) month of actual issue or assumption, (c) number of obligations, (d) amount of indebtedness and (f) the month and year of maturity (if demand so specify).

(iv) Report the outstanding obligations as of the final date of the period covered by the notice of issuance. List the date of actual issue or assumption, principal or face amount and rate of interest of all obligations reported pursuant to subparagraph (ii) of this paragraph. For obligations reported pursuant to subparagraph (iii) of this paragraph, list the date or month of actual issue or assumption, the rate of interest of each obligation or group of obligations and the amount of each obligation or group of obligations outstanding.

(3) For any other class of securities, give corresponding particulars, not later than 10 days after the end of the calendar month in which issued or assumed, to the end that the commission may be fully advised as to the nature of the transaction and purpose for which obligations were incurred or securities were issued and the proceeds therefrom are to be used.

(g) Each notice of issuance of securities or obligations shall be subscribed by an executive officer of the corporation, a member of the partnership, the individual owner, or other party of the utility in behalf of which the notice is filed, and affirmed by such person as true under the penalties of perjury.

SO DOC 16B-410.2 NYCRR
410.2 Issuance not heretofore reported. Every such public utility which has not filed with this commission a notice of the issuance of any stocks, bonds, notes, or other evidences of indebtedness now outstanding and issued with or without the approval of this commission shall, within 30 days from the date of service of a copy of this order, file a notice of each such transaction in the form prescribed herein.

SO DOC 16B-CIVSC NYCRR
SUBCHAPTER C
Safety
PART
420 Distribution of Steam

SO DOC 16B-PT420 NYCRR

PART 420
DISTRIBUTION OF STEAM
(Statutory authority: Public Service Law, ðð 79[1], 80[2])

Sec.
420.1 Scope
420.2 Compliance with standard code
420.3 Notification of construction
420.1 Scope. (a) This Part prescribes minimum safety requirements for the design, fabrication, installation, inspection, testing, operation, and maintenance of steam distribution systems.

(b) Every steam corporation, as defined in section 2(22) of the Public Service Law, engaged in the distribution of steam via pipeline within the State of New York shall comply with the rules set forth in this Part. As used in this Part, the term "steam corporation" refers only to those entities required to comply with this Part.

(c) This Part does not apply to:

1. piping and facilities used for or in connection with the generation or production of steam; and
2. the design, fabrication, and installation of piping downstream of the customer's property line.

420.2 Compliance with standard code. All steam distribution pipeline facilities shall be designed, constructed, tested, operated and maintained, except as otherwise provided in this Part, in accordance with "Power Piping, ASME B31.1-1989" (as set forth in section 10.3 of this Title.)

420.3 Notification of construction. At least 10 days prior to the start of construction or reconstruction of any steam pipeline 100 feet or more in length, each steam corporation shall file with the Albany office of the Gas Division of the New York State Department of Public Service a letter of intent providing details of the proposed construction.

420.4 Operating and maintenance plan. (a) Each steam corporation subject to this Part shall establish and file with the Albany office of the Gas Division of the New York State Department of Public Service a detailed written operating and maintenance plan for complying with all the provisions of this Part. Revisions to these written procedures shall be submitted to the Gas Division in Albany at least 30 days prior to the effective date thereof.

(b) The operating and maintenance plan shall include, as a minimum, the following:

(1) detailed instructions for employees covering operating and maintenance procedures during normal operations and repairs;
(2) procedures for welding, brazing, and welder qualifications;
(3) procedures for reporting, investigating, classifying, handling, and monitoring steam leaks;
(4) procedures to correct, within specified timeframes, deficiencies found during inspections, evaluations, tests, etc. required by this Part;
(5) procedures for continuing surveillance of steam facilities to determine and take appropriate action concerning failures, leakage history, and other unusual operating and maintenance conditions;
(6) an established list of qualified persons who exclusively may approve the turn-on of any section of the steam distribution system; and
(7) procedures to insure that the turn-on of any section of the steam distribution system is accomplished only by persons specifically trained, qualified, and approved for such purpose.

(c) Each steam corporation shall establish and maintain detailed maps of its distribution pipelines and maps or records of its service lines as necessary to administer its operating and maintenance plan.
(d) Each steam corporation shall satisfactorily conform with the operating and maintenance plan submitted to the Gas Division of the New York State Department of Public Service.

. SO DOC 16B-420.5                                NYCRR
420.5 Emergency plans. (a) Each steam corporation shall establish written procedures to minimize the hazards resulting from a steam pipeline emergency. At a minimum, the procedures must provide for the following:
(1) receiving, identifying, and classifying notices of events which require immediate response;
(2) establishing and maintaining adequate means of communication with fire, police, and other public officials;
(3) establishing and maintaining continuous communication between field crews and dispatching personnel;
(4) the availability of personnel, equipment, tools, and materials, as needed at the scene of an emergency;
(5) actions directed toward protecting people first, and then property;
(6) emergency shutdown in any section of the pipeline system necessary to minimize hazards to life or property;
(7) making safe any actual or potential hazard to life or property; and
(8) safely restoring any main or service outage.
(b) Each steam corporation shall:
(1) furnish supervisors who are responsible for emergency action a copy of the latest edition of the emergency plan;
(2) train the appropriate operating personnel to assure that they are knowledgeable of the emergency procedures; and
(3) review employee activities to determine whether the procedures were effectively followed in each emergency.
(c) During January of each year, each steam corporation shall file a list with the Albany office of the Gas Division of the New York State Department of Public Service and with all municipalities within which its facilities are located, indicating the names, addresses, and home and business telephone numbers of its responsible officials who may be contacted in the event of an emergency. Changes and revisions to this list within the year shall be immediately reported to the Gas Division and affected municipalities.

. SO DOC 16B-420.6                                NYCRR
420.6 Customer education and information program.
(a) Each steam corporation shall initiate and maintain on a continuing basis a satisfactory program for customer education and information designed to assist its customers, and appropriate government organizations, in the recognition of steam emergency conditions and situations, and to impress upon them the need for, and means by which, the steam corporation can be given notification of such situations.

(b) The program and the media used must be as comprehensive as necessary to reach all areas in which steam is distributed.

(c) During January of each year, each steam corporation shall file with the Secretary, in accordance with the requirements of § 3.5 of this Title, a current description of its customer education and information program, including a detailed statement of the means of its implementation and samples of all descriptive literature and other educational aids.

SO DOC 16B-420.7

420.7 Employee training. (a) Each employee involved in the operation, maintenance, or testing of steam pipelines and related facilities shall satisfactorily complete training at all progression levels to insure effective and safe implementation of the procedures required by this Part. Additionally, each such employee, including supervisors, shall be tested annually to determine proficiency at his/her current progression level and shall satisfactorily complete refresher training as testing results deem necessary.

(b) Each new employee shall receive basic classroom training prior to on-the-job training in field operations.

SO DOC 16B-420.8

420.8 Periodic inspections. (a) Steam traps and trap piping assemblies shall be inspected for general condition and proper operation at least six times each calendar year at intervals not exceeding ten weeks.

(b) Blow-off valves and by-pass valves shall be checked for operability immediately prior to closing each associated main valve during a scheduled shut down of a section of the steam distribution pipeline system. Removal of condensate from a shut down section of pipeline must be accomplished prior to re-opening main valves.

(c) Accessible expansion slip joints shall be inspected at least twice each calendar year at intervals not exceeding 30 weeks. The inspection shall include checks for leakage, proper alignment, and traverse measurement.

(d) Inside service line valves shall be inspected at the time of periodic meter reading. Valve seals, and warning tags stating that the opening of the service valve must be made only by authorized steam corporation personnel, shall be affixed to each inside service valve. Missing or illegible tags and broken seals must be replaced as soon as possible, but no later than one week, after the condition was discovered. Broken seals, indicating possible unauthorized operation of the valve, shall be investigated to determine cause.

(e) Manholes containing steam facilities shall be inspected for general conditions and adequacy of insulation at least once each calendar year at intervals not exceeding 15 months and shall be inspected for structural integrity at least once each ten calendar years.

(f) System pressure telemetering recording devices shall be inspected and tested for accuracy at least twice each calendar year at intervals not exceeding 30 weeks. At a minimum, pressure recording gauges shall be
installed at the interface between portions of the system which are designed for different operating pressures.

420.9 Welding - qualification and nondestructive testing.

(a) Welding must be performed by qualified welders employing qualified welding procedures. Welders and welding procedures shall be qualified in accordance with API Standard 1104 (as set forth in section 10.3 of this Title) or section IX of the ASME Boiler and Pressure Vessel Code (as set forth in section 10.3 of this Title).

(b) Notwithstanding the pressure and temperature limitations contained in ASME B31.1-1989, welds subjected to temperatures over 350°F (175°C) shall be subject to nondestructive testing by radiographic inspection in accordance with subdivisions (c) and (d) of this section.

(c) All field welds in new steam pipeline installations and all prefabricated shop welds shall be nondestructively tested.

(d) Field welds made on existing steam pipeline facilities shall be subject to a program of random unannounced nondestructive testing to assess the quality of welding and test the work of each welder. The required minimum testing rate shall be 10 percent of all welds made during a calendar month. If 10 percent or more of the welds tested in a calendar month are found to be unacceptable, the test rate shall increase by five percent for the ensuing calendar month. If fewer than 10 percent of the welds are found to be unacceptable in a month where the required test rate was greater than 10 percent, the test rate may be decreased by five percent for the ensuing calendar month.

420.10 Records. (a) Each steam corporation shall maintain records documenting all inspections, maintenance, tests, etc., required by this Part.

(b) Notwithstanding the requirements of Part 292 or Appendix 4-A of this Title, the minimum period of retention of records required by this Part shall be three years. Longer periods of retention may be mandated by Part 292 and Appendix 4-A of this Title.

(c) All records, or copies thereof, shall be kept on file in the State of New York and shall be readily accessible to the staff of the New York State Department of Public Service.

420.11 Leaks.

(a) Any notification of a steam leak, or any notification of damage to facilities by contractors or other outside sources shall constitute the need for prompt action.

(b) Each steam corporation shall be responsible for the investigation, prioritization, and repair of each leak found on its system.

(c) Emergency leaks require an immediate response to protect life and property and must be worked continuously until repairs are completed or until the condition is no longer hazardous. Emergency leaks include, but are not limited to:

1. any leak on the bellows of an expansion joint;
2. any leak which could cause property damage or personal injury or any leak which, in the judgment of the operating personnel at the scene, is regarded as potentially hazardous; or
3. any leak resulting from damage by contractors or other outside forces.

(d) Nonemergency leaks include any leak which is not immediately
hazardous at the time of discovery and can be reasonably expected to remain that way. Nonemergency leaks shall be repaired within six months from the date of discovery.

(e) A steam leak record, identified by number shall be used to depict the entire history of a leak from the time of discovery through repair. The record shall contain information as to the nature of the repair.

420.12 Reports of incidents and interruptions. (a) Each steam corporation shall report all incidents involving steam facilities which cause injury or death to any persons or damage to property, which result in an airborne release of asbestos, or which could cause concern because of coverage by news media.

(b) Any unscheduled interruption of service affecting two or more customers or any other interruption which could cause public concern because of coverage by the news media, shall also be reported.

(c) All such incidents and service interruptions shall be immediately reported by telephone to the Gas Division of the New York State Department of Public Service through its emergency notification system.

(d) A written report of each incident in which steam facilities were involved shall be submitted to the Albany office of the Gas Division of the New York State Department of Public Service within 30 days. The report shall set forth a chronological sequence of events including a detailed description of the:

(1) incident or interruption;
(2) response, action, and investigation by the steam corporation; and
(3) results and findings of the investigations.

(e) Each steam corporation shall file an annual summary report of all incidents which resulted in injury, fatality, property damage, or asbestos contamination with the Albany office of the Gas Division of the New York State Department of Public Service not later than January 31 of each year. The reports shall include, for each incident, the following:

(1) the date of the incident;
(2) the specific location;
(3) the number of injuries which required hospitalization;
(4) the number of fatalities;
(5) the approximate cost of property damage; and
(6) the determined cause of the incident.

(f) Each steam corporation shall file with the Albany office of the Gas Division of the New York State Department of Public Service a monthly report of each unscheduled interruption of service to any customer. The reports shall be filed no later than 15th day of the month following that for which the report is rendered and shall be arranged in accordance with Appendix 3-A of this Title to contain the following:

(1) the district in which the interruption occurred;
(2) the month for which the report is rendered;
(3) the date(s) of the interruption;
(4) the time the steam corporation received notification of the interruption;
(5) the time the steam corporation dispatched its personnel to the scene of the interruption and their arrival time;
(6) the times when interruptions began and ended;
(7) the duration in hours and minutes of such interruptions;
(8) the number of customers affected; and
(9) the cause or causes of the interruptions.
(a) Each steam corporation shall record each report of a steam leak or emergency received on a suitably numbered service record.

(b) A daily log shall be kept and maintained on file recording the receipt and handling of each such report and shall contain the following information:

1. cross reference to the related service record number;
2. location of leak or emergency;
3. time report first received;
4. description as to type of leak or emergency;
5. time personnel first dispatched to location;
6. time of arrival of personnel at location; and
7. times of dispatch and arrival of any additional personnel called to the location.

(c) Each steam corporation shall submit to the Albany office of the Gas Division of the New York State Department of Public Service, on or before the 15th day of each calendar month, a summary analysis of its performance in responding to reports of steam leaks and emergencies, as reflected in the daily log entries for the preceding calendar month. The analysis shall be furnished in a format identical to subdivision (d) of this section and shall be signed by a responsible official.

(d) ANALYSIS OF RESPONSE TO EMERGENCY REPORTS

Steam Corporation ____________________      Month _____________, 19__

<table>
<thead>
<tr>
<th>Weekdays</th>
<th>Weeks</th>
<th>Saturday, &amp; Holidays</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Response</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Time*</td>
<td>No.</td>
<td>Percent- of age of</td>
<td>No.</td>
</tr>
<tr>
<td></td>
<td>of</td>
<td>Calls</td>
<td>of</td>
</tr>
<tr>
<td>0-15</td>
<td></td>
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<tr>
<td>16-30</td>
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<td>31-45</td>
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</tr>
<tr>
<td>46-60</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>More than 60 min.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| Total | 100% | 100% | 100% | 100% |

* Total elapsed time from receipt of report to time of arrival.

Signature of Steam Corporation Officer

Title

(a) Each steam corporation shall establish procedures to analyze each failure or incident for the purpose of determining its cause and to minimize the possibility of a recurrence. This shall include a procedure to select samples of the failed facility or equipment for laboratory examination when necessary.

(b) The procedures shall also provide for complete cooperation with
the staff of the Gas Division of the New York State Department of Public Service, in testing or surveying, including using independent consultants, any equipment or systems deemed necessary by staff for the investigation and analysis of any failure or accident to determine its cause and to minimize the possibility of a recurrence.

420.15 Asbestos control. (a) Each steam corporation shall have procedures to eliminate asbestos materials from all accessible manholes, vaults, etc. which contain steam facilities.

(b) Each steam corporation shall have emergency procedures to control and eliminate asbestos-contaminated debris resulting from the failure of any steam pipeline or facility.

(c) Each steam corporation shall have a program to eliminate asbestos materials from all exposed piping and fittings and from bellows type expansion joints in the steam distribution system.

(d) The procedures shall comply with applicable rules and regulations regarding the removal, handling and disposal of asbestos materials.

SUBCHAPTER D
Rates and Charges
PART
431 Penalties and Discounts--Consumers' Bills--Steam Corporations
432 Penalties and Discounts--Consumers' Bills--Municipal Steam Utilities
433 Bills for Service--Steam Corporations
434 Notices of Discontinuance and Complaint Procedures
435 Interest on Customer Overpayments to Steam Utilities

PART 431
(Penalties and Discounts--Consumers' Bills--Steam Corporations)

(Statutory authority: Public Service Law, § 80)

Sec.
431.1 Late payment charge
431.2 Contents of bill
431.3 Amount of late payment charge
431.4 Contents of rate schedules
431.5 Increase in rates prohibited

Section 431.1 late payment charge. Any corporation, partnership or person furnishing gas, electric, steam or water service may impose a late payment charge, either one-time or continuing interest type, because of the failure of any customer to pay a bill for such service within a specified period therein stated.

431.2 Contents of bill. If any corporation, partnership or person furnishing gas, electric, steam or water service elects to impose a one-time charge for late payment for such service, it shall show on each bill the amount billed, the amount that will be due, including the late payment charge, when the late payment charge becomes applicable.

431.3 Amount of late payment charge. If a one-time late payment charge is imposed, it shall not exceed 10 percent on the first $10 (except that a minimum charge may be made of not to exceed 15 cents per bill), plus not to exceed three percent on that portion of the bill over $10.
431.4 Contents of rate schedules. In case a one-time late payment charge is imposed, the rate schedules shall show the rates for service, the amount due including the late payment charge when the charge becomes applicable, and the period during which the bill may be paid without the imposition of the late payment charge.

431.5 Increase in rates prohibited. No corporation, partnership or person furnishing gas, electric, steam or water service shall so revise or redraft its rate schedules in compliance with this Part as to increase the rates for service applicable to any customer as compared with the rates now in effect without special permission of the commission.

432.1 Late payment charge.
Any municipality furnishing gas, electric or steam service may impose a late payment charge, either one-time or continuing interest type, because of the failure of any customer to pay a bill for such service within a specified period therein stated.

432.2 Contents of bill. If any municipality furnishing gas, electric or steam service elects to impose a one-time charge for late payment for such service, it shall show on each bill the amount billed, the amount that will be due, including the late payment charge, when the late payment charge becomes applicable.

432.3 Amount of late payment charge. If a one-time late payment charge is imposed, it shall not exceed an amount equal to 10 percent of the first $10 of any bill, plus three percent of any amount of such bill in excess of $10; provided, however, that a minimum charge may be made of not to exceed 15 cents per bill, and further provided that there may be allowed in any block of a rate schedule a late payment charge of one mill per kilowatt hour of electricity or one mill per 100 cubic feet of gas.

432.4 Contents of rate schedules. In case a one-time late payment charge is imposed, the rate schedules shall show the rates for service, the amount due including the late payment charge when the charge becomes applicable, and the period during which the bill may be paid without the imposition of the late payment charge.

432.5 Increase in rates prohibited. No municipality furnishing gas, electric or steam service shall, without special permission of this commission, so revise or amend its rate schedules, in compliance with
this Part, as to increase the rates for service applicable to any customer as compared with the rates now in effect.

PART 433

BILLS FOR SERVICE--STEAM CORPORATIONS

(Statutory authority: Public Service Law, § 44)

Note: The provisions contained in this Part must be complied with by July 1, 1976; however, prior to that date, utilities may show on their bill forms the information specified by this Part. By order dated January 7, 1976, the commission directed all companies subject to this Part to send an explanatory leaflet to their customers with the first new bill form sent; the bill forms and leaflet were also required to be filed with the commission 30 days prior to use of the new bill form.

Sec.
433.1 Contents of bill
433.2 Budget or equal payment billing
433.3 List of company offices

Section 433.1 Contents of bill. Each bill issued after June 30, 1976, together with its addendum bill form (if applicable), for steam service, on the portion that is retained by the customer, shall show, but not be limited to, the following information, except as otherwise provided by this Part:

(a) The name of the corporation, partnership or person by which the service was furnished and, except as provided by this Part, no other name.

(b) The location of the principal office and one or more company offices at which it may be paid, and a statement that bills may be paid at other authorized offices.

(c) The service classification or classifications in the rate schedules on which it is based.

(d) Any charges or credits which are adjustments to the rate schedules referred to in subdivision (c) of this section shall be itemized and shown in dollars per type of unit billed and in total dollars.

(e) The billed demand or other similar factor (if applicable).

(f) Present meter reading, actual or estimated (indicate if estimated), and date thereof.

(g) Previous meter reading, actual or estimated (indicate if estimated), and date thereof, and/or the number of days or the prorated period from the previous meter reading, actual or estimated, to the present meter reading, actual or estimated.

(h) Meter constant, temperature, pressure and pressure factor.

(i) Debit or credit balance still outstanding from prior bill, if any.

(j) Quantity billed and unit of measurement, except quantity need not be shown for interim budget billing.

(k) Gross amount of bill, including any sales tax.

(l) Amount of discount and/or net amount of bill (if applicable).

(m) Date when discount period expires or late payment charge becomes effective shall be shown on the front of the bill (if applicable). The payment date is to be determined by the date of mailing or date paid at designated office.

(n) If the service be furnished by a corporation which desires to
indicate that it is owned or controlled by another company, or that it constitutes part of a system, it may so indicate by the use of a small symbol or by a statement to that effect printed on the bill in small, inconspicuous type.

(o) Only service(s) performed, materials furnished or other charges made by the company, pursuant to its filed tariff, may be included and shall be itemized on the applicable bill form. Whenever the bill form, by reason of size limitations, does not permit itemization, totals may be utilized, provided the charges making up such totals are itemized in an addendum attached to or enclosed with the bill.

(p) Each bill rendered by the company shall identify the account for which service is being charged by setting forth an account or meter number or other appropriate method of identification of the address or location of the premises where the service(s) for which the bill is rendered was (were) furnished.

(q) The back of the entire bill may be used for any purposes deemed appropriate related to the service(s) rendered.

(r) As long as it does not confuse the customer, pertinent messages and information may be printed on any portion of the front of the bill.

(s) An explanation of any abbreviation or symbol used that is not in common English usage.

433.2 Budget or equal payment billing. On either the bill or in an addendum attached to or enclosed with the bill shall be shown:

(a) Identification of the type of budget or equal payment plan if more than one plan is offered.

(b) The total of the year's budget or equal payment amounts billed to the end of the period covered by the current bill.

(c) The dollar amount billed for tariff items during the same period as in subdivision (b) of this section.

(d) Debit or credit balance to be shown as D or C on the bill and defined as follows:

D Amount due company
C Amount in customer favor

433.3 List of company offices. Each steam company shall provide annually to its customers a list of all company offices at which utility bills may be paid, if such information is not shown on its bill form.

434.1 Notice of discontinuance--time
434.2 Notice of discontinuance--format
434.3 No discontinuance without verification of delinquent account
434.4 Rapid posting of payments in response to notices of discontinuance
434.5 Days when discontinuance of service is not permitted
434.6 No additional notice required when payment by check is subsequently dishonored
434.7 Discontinuance of service to entire multiple dwellings
434.8 Billing disputes
434.9 Publicizing complaint procedures
434.10 Hardship procedures
434.11 Special procedures during cold weather periods
434.12 Survey of residential customers previously disconnected for nonpayment or theft of service
434.13 Voluntary third-party notice prior to discontinuance of service
434.14 Installment plans for residential customers

Section 434.1 Notice of discontinuance--time. (a) No steam corporation shall discontinue the supply of steam for nonpayment of bills rendered for service or for failure to post a required deposit until either:
   (1) at least five days after written notice has been served personally upon the person supplied;
   (2) at least eight days after mailing written notice in postpaid wrapper to the person supplied, addressed to such person at premises where service is rendered; or
   (3) at least five days after the person supplied has either signed for or refused a registered letter containing written notice, addressed to such person at premises where service is rendered.

(b) If the person supplied has specified to the company in writing an alternate address for billing purposes, the notice authorized under paragraphs (2) and (3) of subdivision (a) shall be sent to such alternate address rather than to the premises where service is rendered.

Section 434.2 Notice of discontinuance--format. (a) Every notice indicating discontinuance of service shall:
   (1) clearly indicate in nontechnical language:
      (i) the reason for service discontinuance;
      (ii) the total amount required to be paid by the customer to avoid discontinuance of service, indicating the amount for which the customer's account is in arrears or the required deposit, if any, which must be posted by the customer, or both;
      (iii) a method whereby the customer may tender payment of the full sum due and owing, including any required deposit, to avoid the discontinuance of his service;
      (iv) the availability of company procedures to consider customer complaints prior to discontinuance, including the address and phone number of the office of the steam company the customer may contact in reference to his account; and
      (v) the earliest date on which discontinuance may be attempted; and
   (2) have printed on the face thereof in a size type capable of attracting immediate attention the following:
      "THIS IS A FINAL DISCONNECT NOTICE. TO AVOID INCONVENIENCE, BRING THIS NOTICE TO THE ATTENTION OF THE COMPANY WHEN PAYING THIS BILL."

(b) Where full compliance with subdivision (a) of this section is found by the commission to be infeasible or to impose an unreasonable burden upon the company, the commission may grant a waiver of the requirements of such subdivision upon approval by the commission of an alternate arrangement which accomplishes the basic purposes of this section.

Section 434.3 No discontinuance without verification of delinquent account. (a) No steam corporation shall discontinue service for nonpayment of bills rendered or for failure to post a required deposit unless:
(1) it shall have verified that payment has not been received at any office of the company or at any office of an authorized collection agent through the end of the notice period required by this Part; and

(2) it shall have verified on the day disconnection occurs that payment has not been posted to the customer's account as of the opening of business on that day, or, shall have complied with procedures established pursuant to section 434.4(b) of this Part.

(b) In the case of a company which serves a geographical area of this State involving more than six counties, the commission may grant a waiver of the requirements of paragraph (1) of subdivision (a) of this section upon approval by the commission of an alternate procedure for verification of payments which accomplishes the basic purposes of that paragraph.

434.4 Rapid posting of payments in response to notices of discontinuance. Every steam corporation shall take reasonable steps to establish procedures to insure that any payments made in response to notices of discontinuance, when the customer brings the fact that such a notice has been issued to the attention of the company or its collection agents, shall either:

(a) be posed to the customer's account on the day payment is received; or

(b) be processed in some manner so that discontinuance will not occur.

434.5 Days when discontinuance of service is not permitted. (a) No steam corporation shall discontinue service to any person for nonpayment of bills or for failure to post a required deposit on a Saturday, Sunday, public holiday, or day on which the main business office of the company is not open for business. For purposes of this section, public holiday shall refer to those holidays enumerated in the General Construction Law.

(b) No steam corporation or municipal steam corporation shall discontinue service to any residential customer for nonpayment of bills or for failure to post a required deposit on a Friday, or on the day preceding a day on which the main business office of the company is not scheduled to be open for business, or the day immediately preceding a public holiday. No such corporation shall discontinue service to any residential customer for nonpayment of bills or for failure to post a required deposit during a two-week period encompassing Christmas and New Year's Day.

434.6 No additional notice required when payment by check is subsequently dishonored. Receipt of a subsequently dishonored negotiable instrument in response to a notice of discontinuance shall not constitute payment of the customer's account, and no steam corporation shall be required to issue additional notice prior to discontinuance.

434.7 Discontinuance of service to entire multiple dwellings. (a) No steam corporation shall discontinue service to an entire multiple dwelling (as defined in the Multiple Dwelling Law or the Multiple Residence Law) where the owner, person, firm or corporation to whom or which the last preceding bill has been rendered, or from whom or which the steam corporation has received payment therefor, has failed to pay such utility bills, until it has complied with the following
procedure:

(1) The steam corporation must give 15 days' written notice of its intention to so discontinue by personally serving such notice on the owner of the premises affected or on the person, firm, or corporation to whom or which the last preceding bill was rendered, or from whom or which the utility has received payment therefor, and on the superintendent or other person in charge of the building, if it can be readily ascertained that there is such superintendent or other person in charge; or

(2) The steam corporation must give 18 days' written notice to the owner, person, firm or corporation specified in paragraph (1) of this subdivision if such notice is mailed in a postpaid wrapper to the address of such persons, firm or corporation.

(3) In addition to the notice prescribed by paragraphs (1) and (2) of this subdivision, 15 days' written notice shall be posted in the public areas of such multiple dwelling, and 18 days' notice shall be mailed to the "Occupant" of each unit in that multiple dwelling, to the local health officer and director of the social services district for the political subdivision in which the multiple dwelling is located; if the multiple dwelling is located in a city or village, to the mayor thereof, or if there be none, to the manager; or, if the multiple dwelling is located in a town, then to the town supervisor; and to the county executive of the county in which the multiple dwelling is located, or if there be none, then to the chairman of such county's legislative body. Notice to mayors, managers, town supervisors, county executives, and chairmen of county legislatures may be mailed to the persons specified therein or to their designees. Notice to health officers, directors of social services, mayors, managers, supervisors, county executives and chairmen of county legislatures shall be repeated not more than four working days nor less than two working days prior to such discontinuance.

(4) Whenever a notice of intention to discontinue steam service has been made pursuant to the provisions of this section and obligations owed the steam corporation have been satisfied, the steam corporation shall notify, in the same manner as it gave such notice of intention, the occupant of each unit that the intention to discontinue steam service no longer exists.

(b) Notwithstanding the provisions contained in subdivision (a) of this section, no steam corporation shall discontinue services to a multiple dwelling, where the owner, person, firm or corporation responsible for making payment fails to pay utility bills, as long as occupants of such multiple dwellings continue to make timely payments for service in accordance with procedures filed by the utility and approved by the Public Service Commission. All notices referred to in subdivision (a) of this section shall contain the intended date of discontinuance of service and a utility contact, including a telephone number, who will advise occupants of the amount due for steam service and who will arrange meetings with occupants to attempt to work out a mechanism for avoiding discontinuance of service in the event that the owner continues to fail to make requisite payments or arrangements for such payments. The notice shall also refer to the provisions contained in section 235-a of the New York Real Property Law authorizing occupants to set-off, against their rent, payments to utilities in such circumstances.
(c) A steam corporation, following the procedure outlined in subdivision (b) of this section, may require occupants in a multiple dwelling to pay no more than the current steam charges incurred by the owner, person, firm or corporation to whom or which the last preceding bill has been rendered or from whom or which the utility has received payment therefor. A current charge for purposes of this section means the amount properly billed the owner, etc., for steam used during the billing period covered by the first bill rendered on or after the date when the disconnect notice is issued. The current charges will not include any arrears for earlier billing periods that may appear on such a bill.

(d) If occupants in a multiple dwelling find they are unable to reach an agreement with the utility to avoid discontinuance of service, they may contact the Consumer Service Section of the commission's Power Division. After such a request is received, a representative of the Consumer Service Section of the Power Division will attempt to work out such an agreement and will, if necessary, arrange a meeting with occupant representatives, the utility, and the owner, person, firm or corporation responsible for making payment for steam service; provided, however, that such a meeting will be required only if the Consumer Service Section receives a written petition signed by at least 25 percent of the occupants in a multiple dwelling.

(e) The Consumer Service Section may stay a threatened disconnection of service to an entire multiple dwelling where it concludes that good faith efforts are being made by the occupants to arrange for the payment of current steam bills.

(f) Whenever an owner of a multiple dwelling, or the person, firm or corporation responsible for making payment for steam service, fails to pay two consecutive bills for utility service by the time the third bill has been prepared, the utility must notify the commission within 15 days that it has invoked the procedures outlined in subdivisions (a) and (b) of this section. Unless otherwise authorized, the notification should be in the form of a semi-monthly report filed with the Consumer Service Section. Such report should be cumulative, specify the total amount due for each overdue account, the period of arrearage, and indicate if a notice of discontinuance has been sent. If these reports demonstrate a need for changes in collection procedures, the Consumer Service Section shall advise the commission.

(g) Sections 434.3 through 434.6 of this Part shall be applicable with respect to the discontinuance of service to entire multiple dwellings.

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434.8 Billing disputes. (a) Every steam corporation shall establish procedures whereby any complaint filed with such corporation by any customer thereof in regard to any bill for service rendered or any deposit required will be promptly investigated in an appropriate and fair manner, with the result of such investigation being promptly reported to the complaining customer. Such procedures shall allow the acceptance and processing of complaints submitted in simple manner and form. Regardless of whether a notice of discontinuance has previously been sent, the utility's procedures shall provide that pending the utility's investigation it shall not discontinue service or issue a notice of discontinuance; provided, however, the consumer may be required to pay the undisputed portion of a disputed bill or deposit to prevent discontinuance or the issuance of a notice of discontinuance.
(b) If, after the completion of such an investigation, the utility determines that the disputed service has been rendered, or that the disputed charge or deposit is proper, in whole or in part, the utility may require the full bill or deposit or the appropriate portion thereof to be paid; in such event, appropriate notice of the determination shall be given to the customer, and where notice of discontinuance of service has previously been sent, or is served with the determination, such notice shall include a statement advising the customer of the availability of the commission's complaint handling procedures. The utility's procedures may provide for discontinuance of service if the customer fails to pay such required amount after receipt of proper notice, provided that a customer's service will not be discontinued until at least five days after notice of the utility's determination, where personal service is made upon the person supplied, or at least eight days after mailing of such a notice, and provided further that no discontinuance may occur if so precluded by the commission pursuant to section 11.2(d) of this Title.

(c) The utility's procedures shall provide that, where the complaint procedures of the commission have been invoked and it is determined that the disputed service has been rendered, or that the disputed charge or deposit is proper, in whole or in part, a customer's service will not be discontinued for failure to pay the amount found appropriate until at least 15 days after notice of the commission's determination.

(d) The procedures required to be established under this section shall be filed with the commission for review. The commission shall be advised of any substantial changes in such procedures 30 days prior to their proposed implementation to permit commission review.

434.9 Publicizing complaint procedures. (a) Every steam corporation shall, by a notice accompanying a regular bill or otherwise, advise each of its customers annually, unless otherwise directed by the commission, of the procedures available to the customer to register complaints in regard to service or disputed bills. Such notice shall clearly state the means by which a complaint can be made to the company and shall also advise the customer that, if after contacting the company the customer remains dissatisfied, he may contact the New York State Public Service Commission. Such notice shall further state that the Public Service Commission has a staff available to give assistance in such matters, and shall also specify an appropriate address of the Public Service Commission.

(b) Prior to circulating the notice required by subdivision (a) of this section, each utility shall submit to the commission for its approval the form of such notice and the intended program for its distribution.

434.10 Hardship procedures. Each and every steam corporation shall file with the commission and make available for public inspection such corporation's detailed procedures for handling hardship situations where consumers are threatened with disconnection of service. The detailed procedures to be filed under this section shall include the special procedures during the cold weather seasons required by sections 434.11 and 434.12 of this Part. Such corporations shall observe their filed procedures in conducting any disconnection activity.
434.11 Special procedures during cold weather periods.

(a) Not later than August 15, 1978, each and every steam corporation shall develop methods to identify all residential households in its service territory which require a steam service for heating the premises or operating a heating system. Thereafter, such corporation shall maintain the capability of identifying such residential accounts for the purposes of this section.

(b) During the period beginning November 1st of each year and ending April 15th of the following year, each steam corporation shall observe, at a minimum, the following procedures with respect to residential customers whose steam service is necessary to heat the premises or operate a heating system (as used in this section, the term customer means a residential customer whose steam service is necessary to heat the premises or operate a heating system and includes all customers residing in dwellings not included under section 116 of the Public Service Law):

(1) No such corporation shall terminate service to any customer unless, after service of a final notice of discontinuance, the corporation has attempted to communicate with the customer, or another person, 18 years of age or older, who resides with the customer at the customer's residence. At a minimum, the attempt at personal contact shall include one visit at the premises by field personnel during normal working hours and, in the event that personal contact is not achieved, one visit by field personnel during reasonable nonbusiness periods (6 p.m. - 9 p.m. on weekdays or 9 a.m. - 5 p.m. on Saturdays, Sundays and holidays). If communication with the person contacted is not possible because of an apparent language barrier, the corporation shall take steps to assure communication before discontinuance. During the personal contacts, the corporation's representatives shall fully explain the reasons for discontinuance and shall attempt to ascertain whether a serious impairment to human health may result.

(2) For the purposes of this Part, a serious impairment to human health is indicated if a customer or other person residing in the premises appears to be seriously impaired and may, because of mental or physical problems, be unable to manage his or her own resources, carry out activities of daily living or protect oneself from neglect or hazardous situations without assistance from others. Indicators of serious impairment to human health include but are not limited to:

(i) age, infirmity or mental incapacitation;

(ii) use of life support systems, such as dialysis machines or iron lungs;

(iii) serious illness;

(iv) physical disability, including blindness and limited mobility; and

(v) any other factual circumstances which indicate severe or hazardous health situations.

The above criteria are general standards and the corporation's field personnel must be trained to exercise discretion, sound judgment and common sense in ascertaining whether a serious impairment to human health exists. Doubts should be resolved in favor of continued service.

(3) No such corporation shall terminate service for nonpayment where a customer or other person residing in the premises exhibits a serious impairment to human health, as described in paragraph (2) of this subdivision, unless:
(i) the corporation notifies the local social services commissioner orally, and within five days in writing, on forms prescribed or approved by the commission (Appendix 16 contains the suggested form) that the customer or other person residing in the premises exhibits a serious impairment to human health; and

(ii) the local social services commissioner, after an investigation, informs the corporation that the health-impairing condition does not exist or is not serious, or that an alternative means for protecting the person's health has been devised.

The corporation may exercise its own discretion with respect to terminating service to the customer in the event it does not receive an oral or written report from the local social services commissioner within 15 business days after the written referral of the matter by the corporation to the commissioner.

(4) If such a corporation terminates steam service to a customer because of nonpayment, and the customer or a person 18 years of age or older residing on the premises was not personally contacted by the corporation before termination of service and has not communicated with the corporation for the purpose of requesting reconnection before 12 noon on the day following termination of service, the corporation shall immediately attempt to determine, by onsite inspection, direct personal contact at the premises with the residential customer or other adult person, or other reasonable measures, whether there is continuing occupancy and whether a serious impairment to human health, as described in paragraph (b)(2) of this section, exists. If the corporation determines that a customer or other person residing in the premises faces impairment to his or her health, it shall immediately restore the steam service and the requirements of paragraph (b)(3) of this section shall apply. If the corporation is unable to obtain personal contact with the customer or an adult residing on the premises, and does not have reasonable grounds to believe that the customer has vacated the premises, it shall immediately refer the name and address of the customer to the local commissioner of social services, in accordance with the procedures set forth in paragraph (b)(3) of this section.

(5) Each such corporation shall designate an employee who will serve as a liaison with local social services departments.

(6) Each such corporation shall file with the commission for its review the procedures to be followed by the corporation's personnel in complying with these special procedures.

(c) If such corporation decides to disconnect steam service to a residential customer because it has established that the meter or service laterals have been tampered with or a theft of service has occurred, it shall attempt to determine, according to the procedures set forth in paragraphs (b)(1) and (2) of this section, whether a serious impairment would result from service disconnection. If such corporation ascertains that a serious impairment to human health would result, it shall observe the procedures set forth in paragraphs (b)(3) and (4) of this section; provided, however, that the requirement of continued service shall not apply in the event it is impractical for such corporation to eliminate any unsafe condition. In any case where a serious impairment is found and the corporation terminates service to preclude the continuation of an unsafe condition, it shall specially notify the local social services commissioner on the same day service is disconnected and request an immediate consideration of the case.
Comment: If a utility discovers a meter tampering or theft situation and determines that a serious impairment exists, it should continue service, pending DSS review, provided that service can be rendered safely. For example, if a utility discovers that the meter of a "locked account" is advancing, it should, in most circumstances, be able to continue service in a safe manner. In other theft cases, particularly those involving gas service, the need for rendering the condition safe may preclude the continuation of service. For example, if a gas utility discovers unsafe piping, an unsafe meter bypass, or substantial damage to the meter, termination may be the best method of eliminating the unsafe condition. If the utility cannot readily repair the unsafe condition or, in the case of a gas company, cannot obtain access to the pilot lights (which would have to be relit), immediate restoration of service would not be practical. The utility should specifically note, in its referrals to DSS, those cases where heat-related service is not restored or continued so that DSS may give immediate attention to them.

434.12 Survey of residential customers previously disconnected for nonpayment or theft of service. Not earlier than September 1 nor later than November 1 of every year, each steam corporation shall conduct a survey of all former residential customers whose steam service was used for heating the premises or operating a heating system, was terminated for nonpayment, meter or service lateral tampering, or theft of service during the 12-month period ending on November 1 of that year, and has not been restored. The purpose of the survey is to determine whether a continued lack of service may expose the former customer or other person residing in the premises to a serious impairment to human health as defined in subdivision (b) of section 434.11 of this Part. If the corporation determines that a former residential customer or other person residing in the premises may be exposed to a serious impairment to human health as defined in subdivision (b) of section 434.11 of this Part, it shall restore the steam service immediately, unless the customer refuses to permit such corporation to restore service or, in theft or tampering situations, unless it is impractical for the corporation to eliminate an unsafe condition, and the requirements of subdivision (b) of section 434.11 of this Part shall apply. If the corporation is unable to obtain personal contact with the customer or an adult residing on the premises, or the customer refuses to permit service restoration, it shall immediately refer the name and address of the former customer to the local commissioner of social services in accordance with the procedures set forth in paragraph (b)(3) of section 434.11 of this Part, unless the corporation has reasonable grounds to believe that the former customer has permanently vacated the premises.

434.13 Voluntary third-party notice prior to discontinuance of service. (a) Each and every steam corporation and municipal steam corporation shall permit a residential consumer to designate a third party to receive a copy of every notice of discontinuance of service sent to such residential consumer, provided that such third party indicates in writing his or her willingness to receive such notices. (b) Such corporations shall notify residential consumers annually of the availability of the third-party notice procedure.

434.14 Installment plans for residential customers. No such
corporation shall terminate service to a customer because of the customer's failure to pay for service unless the corporation has first offered a monthly installment plan that is just and equitable. Each corporation must offer a just and equitable monthly plan to all customers whose service has been disconnected for nonpayment. To the extent practicable, the monthly installment plan should be based on the customer's ability to pay, past payment history, the amount of indebtedness, and the availability of other resources. The monthly installment plan should require a customer to pay current bills and a portion of past indebtedness. A new monthly installment plan need not be offered to a customer who is in default on an existing one.

PART 435
INTEREST ON CUSTOMER OVERPAYMENTS TO STEAM UTILITIES
(Statutory authority: Public Service Law, § 118[3])

Sec.
435.1 General
435.2 Standards
435.3 Rate of interest
435.4 Limitations

Section 435.1 General. Every steam corporation or municipality shall provide interest on customer overpayments according to the standards and criteria set forth in this Part.

435.2 Standards. A customer overpayment is defined as payment by the customer to the utility in excess of the correct charge for steam service supplied to the customer which was caused by erroneous billing by the utility.

435.3 Rate of interest. The rate of interest on such amounts shall be the greater of the unadjusted customer deposit rate or the applicable late payment rate, if any, for the service classification under which the customer was billed. Interest shall be paid from the date when the customer overpayment was made, adjusted for any changes in the deposit rate or late payment rate, and compounded monthly, until the date when the overpayment was refunded.

435.4 Limitations. This part applies to refunds returned to customers after the effective date of these rules. No steam corporation or municipality shall be required to pay interest on customer overpayments that are refunded within 30 days after such overpayment is received by the steam corporation or municipality.

SUBCHAPTER E
Records; Reports
PART
440 - 441 (Reserved)
442 Retention by Steam Corporations of Records at Principal Office
443 Continuing Property Records--Steam Corporations
444 Accounts, Records and Reports of General Business Corporations Providing Incidental Utility Service
RETENTION BY STEAM CORPORATIONS OF RECORDS AT PRINCIPAL OFFICE
(Statutory authority: Public Service Law, ð 80)

Sec.
442.1 Retention of records at principal office required
442.2 Notice of transfer

Section 442.1 Retention of records at principal office required.
Every corporation, company, association, joint stock association, partnership and person under the jurisdiction of this commission shall retain possession of all accounts, books, contracts, records, documents and papers, and hold them for inspection by the Public Service Commission or its agents or employees at the principal office of such corporation, company, association, joint stock association, partnership and person under the jurisdiction of this commission until this commission has approved of the transfer of its or their property.

Section 442.2 Notice of transfer.
No such accounts, books, contracts, records, documents and papers shall be transferred from the principal office of such corporation, company, association, joint stock association, partnership and person under the jurisdiction of this Commission until notice of such transfer has been filed, in accordance with the requirements of ð 3.5 of this Title, to the Commission and approval thereof granted.

PART 443
CONTINUING PROPERTY RECORDS--STEAM CORPORATIONS
(Statutory authority: Public Service Law, ð 80)

Sec.
443.1 Corporation affected
443.2 Requirements of continuing property
443.3 Filing of proposed records units
443.4 Completion of continuing property records
443.5 Certain records required
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Section 443.1 Corporation affected.
Every steam corporation having annual steam operating revenues of $100,000 or over shall establish, provide and maintain continuing property records of its property used wholly or partly in steam operations.

Section 443.2 Requirements of continuing property.
Such continuing property record shall comply with the following requirements.
a) Such record shall be divided into continuing property record units which shall be arranged to conform with the operating property or the fixed capital accounts and shall include a description of each of such units.

(b) The original cost of each of such units shall be set forth provided that in those cases where the original cost cannot be ascertained without unreasonable expense, such original cost shall be estimated.

(c) Except as otherwise provided herein, there shall be shown for
property hereafter installed, and for present property so far as can be ascertained, either in such record or in supporting data thereto, for each of such units, the date when charged to operating property or fixed capital, the location of the property, the manufacturer's name and any number or other identification mark imprinted thereon, the accounting company number or designation, and such other description as may be necessary to plainly identify the property and the associated original cost thereof.

(d) When meters or major units of steam plant equipment have been retired and subsequently reinstalled, the date when such property was first charged to operating property or fixed capital shall also be shown.

(e) Such property record shall show separately the units located in each city, village or town, and in the case of New York City in each borough, and in each steam plant. When a corporation desires a modification of this requirement, application should be made to the commission.

(f) There shall be shown by appropriate reference the source of all entries; and all drawings and computations and other detail records, supporting either the quantities or the cost included in the continuing property record, shall be retained.

(g) The original cost of each parcel of land and each structure owned in fee shall be set forth and no further subdivision need be shown.

(h) The original cost of easements for right of way shall be separately set forth for each transmission or distribution line.

(i) Property consisting of a large number of similar units may be grouped and only the average unit cost need be set forth for similar units of each size installed during a calendar year.

.443.3 Filing of proposed records units.
Every steam corporation affected by this Part shall file on or before February 1, 1937, a statement setting forth the continuing property record units proposed to be used in its continuing property record.

.443.4 Completion of continuing property records.
(a) The continuing property record herein ordered to be established shall be completed as to property installed prior to January 1, 1937 on or before December 31, 1937. When a corporation desires a modification of this requirement, application should be made to the commission on or before November 1, 1937.

(b) Upon the completion of the continuing property record of property acquired prior to January 1, 1937, notice shall be given to this commission.

.443.5 Certain records required.
(a) Each corporation affected by this Part shall keep such records of property and property retirements as will reflect, so far as practicable, the service life of all property retired, and will permit the determination of the age of all existing property; and also such records as will reflect the salvage and cost of removal of property retired from each account including property used wholly or partly in steam operations.

(b) Each such corporation shall also maintain such records supporting its books of account as are necessary to show the reserves accumulated
to provide for depreciation or ultimate retirement of its property used wholly or partly in steam operations, separately for each operating property or fixed capital account.

443.6 Original cost defined.

The term original cost when used herein means the cost of such property to the person or corporation first devoting it to public service.

443.7 Amounts charged in previous years to operating expenses.

Nothing herein stated shall be taken as permitting the recording in the original cost shown in the continuing property record of amounts charged in previous years to operating expenses, operating taxes, or other income or surplus accounts.

PART 444
ACCOUNTS, RECORDS AND REPORTS OF GENERAL BUSINESS CORPORATIONS PROVIDING INCIDENTAL UTILITY SERVICE
(Statutory authority: Public Service Law, § 80)

Sec.
444.1 Petition for exemption from requirements
444.2 Action on petition

Section 444.1 Petition for exemption from requirements.

Any general business corporation supplying utility service where such utility service is wholly subsidiary and incidental to its primary business and is minor in amount as compared with its nonutility operations, may submit to this commission a properly verified petition setting forth the nature and extent of both its general business and its utility business, the number of customers served, the amount of revenue received from such business and the reasons why it is believed it is not necessary in the proper regulation of its utility operations that its accounts and records be kept pursuant to the applicable system of accounts prescribed by this commission, or that it file with this commission annual reports in the form provided for applicable utilities.

444.2 Action on petition.

Upon the receipt of such a petition the commission will conduct a public hearing or make such other investigation as it shall deem necessary, and if it be found that proper and adequate regulation does not require the keeping of accounts in compliance with the system of accounts applicable to corporations primarily engaged in the public utility business or the filing of the type of annual reports required to be filed by such utility corporations, the petitioning corporation may be relieved from keeping its records and accounts in accordance with the applicable system of accounts prescribed by this commission but instead be authorized to keep only such accounts as shall be directed, and may be further authorized to file such form of annual report as may be prescribed.

SUBCHAPTER F
Uniform Systems of Accounts

Note: For utility employee pension costs, see Appendixes 6-B and 6-C.

SUBDOC 16B-CHIVSCFAR1
ARTICLE 1
CLASSES A and B
PART
460 General Provisions
461 Instructions--General
462 Instructions--Balance Sheet Accounts
463 Instructions--Steam Plant Accounts
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465 Instructions--Income Accounts
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PART 460
GENERAL PROVISIONS
(Statutory authority: Public Service Law, § 2)

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

460.1 Definitions

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

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

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

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

(d) Each such steam corporation shall prepare and file in triplicate with the commission not later than six months after the effective date of this uniform system of accounts, summary statements showing (1) the closing balance of each balance sheet account carried on the books directly preceding the effective date of this system of accounts prescribed herein, the title of each account under this system of accounts to which any portion thereof was transferred, and the amount so transferred, and (2) the opening balance of each account under this system of accounts, the title of each account from which any portion thereof was transferred, and the amount so transferred. Reserves existing at the effective date of this system of accounts accumulated to provide for losses upon retirement or withdrawal of property from service, depreciation, amortization or replacement of fixed capital or operating property shall be transferred to the accounts prescribed herein for depreciation and amortization reserves.
(e) In prescribing this system of accounts, the commission does not commit itself to the approval or acceptance of any item set out in any account, for the purpose of fixing rates or in determining other matters before the commission. The prescribed system of accounts is designed to set out the facts in connection with the capitalization, construction, income, expenditures, etc., and therefrom the commission will determine, in connection with such matters as may be under advisement from time to time, just what consideration shall be given to the various items in the several accounts.

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

SO DOC 16B-460.1 NYCRR

460.1 Definitions.
(a) When used in this system of accounts:
(1) Accounts means the accounts prescribed in this system of accounts.
(2) Actually issued, as applied to securities issued or assumed by the utility, means those which have been sold to bona fide purchasers for a valuable consideration (including those issued in exchange for other securities or other property); also securities issued as dividends on stock, and those which have been issued in accordance with contractual requirements direct to trustees of sinking funds.
(3) Actually outstanding, as applied to securities issued or assumed by the utility, means those which have been actually issued and are neither retired nor held by or for the utility; provided, however, that securities held by trustees shall be considered as actually outstanding.
(4) Amortization means the gradual extinguishment of an amount in an account by prorating such amount over a fixed period, over the life of the asset or liability to which it applies, or over the period during which it is anticipated the benefit will be realized.
(5) Associated companies means companies or persons that, directly or indirectly, through one or more intermediaries, control, or are controlled by, or are under common control with, the accounting company.
(6) Control (including the terms controlling, controlled by, and under common control with) means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a company, whether such power is exercised through one or more intermediary companies, or alone, or in conjunction with, or pursuant to an agreement, and whether such power is established through a majority or minority ownership or voting of securities, common directors, officers, or stockholders, voting trusts, holding trusts, associated companies, contract, or any other direct or indirect means.
(7) Book cost means the amount at which property is recorded in these accounts without deduction of related reserves. As applied to steam plant, book cost means the amount at which property is included in account 106 or in accounts 101 to 104.
(8) Book value, when applied to steam plant, means the book cost less related depreciation reserves. When applied to other property, it means book cost less related reserves for loss in value.
(9) Buildings. (See steam plant instruction § 463.9.)
(10) Commission or the commission means the Public Service Commission of the State of New York.
(11) Company. (See par. (28), infra.)
(12) Construction cost, components of. (See steam plant instruction 463.4.)
(13) Cost means the amount of money actually paid for property or services or the cash value at the time of the transaction of any consideration other than money (See, however, steam plant instruction ø463.2.)
(14) Cost of removal means the cost of demolishing, dismantling, tearing down, or otherwise removing steam plant, including the cost of transportation and handling incidental thereto.
(15) Debt expense means all expenses in connection with the issuance and sale of evidences of debt, such as fees for drafting mortgages and trust deeds; fees and taxes for issuing or recording evidences of debt; cost of engraving and printing bonds and certificates of indebtedness; fees paid trustees; specific costs of obtaining governmental authority; fees for legal services; fees and commissions paid underwriters, brokers, and salesmen for marketing such evidences of debt; fees and expenses of listing on exchanges; and other like costs.
(16) Depreciation, as applied to steam plant, means the net loss in service value not restored by current maintenance, incurred in connection with the consumption, use or prospective retirement of steam plant in the course of service from causes against which the utility is not protected by insurance. Among the causes to be given consideration are wear and tear, decay, action of the elements, inadequacy, obsolescence, changes in the art, changes in demand and requirements of public authorities.
(17) Discount, as applied to the securities issued or assumed by the utility, means the excess of the par or face value of the securities plus interest or dividends accrued at the date of the sale over the cash value of the consideration received from their sale.
(18) Equipment. (See steam plant instruction ø 463.10.)
(19) Improvements. (See steam plant instruction ø 463.9.)
(20) Investment advances means advances, represented by notes or by book accounts only, with respect to which it is mutually agreed or intended between the creditor and debtor that they shall be settled by the issuance of capital stock or long-term obligations, or shall not be subject to current settlement.
(21) Land and land rights. (See steam plant instruction ø 463.8.)
(22) Long-term debt means obligations having a life of more than one year from date of creation or assumption except obligations representing advances from associated companies, and all unmatured bonds and receivers' certificates.
(23) Minor items of property means the associated part or items of which retirement units (see par. (36), infra.) are composed.
(24) Net salvage value means the salvage value of property retired less the cost of removal.
(25) Nominally issued, as applied to securities issued or assumed by the utility, means those which have been signed, certified, or otherwise executed, and placed with the proper officer for sale and delivery, or pledged, or otherwise placed in some special fund of the utility, but which have not been sold or issued direct to trustees of sinking funds in accordance with contractual requirements.
(26) Nominally outstanding, as applied to securities issued or assumed by the utility, means those which, after being actually issued, have
been reacquired by or for the utility under circumstances which require them to be considered as held alive and not retired, provided, however, that securities held by trustees shall be considered as actually outstanding.

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

(28) Person means an individual, a corporation, a partnership, an association, a joint-stock company, a business trust, or any organized group of persons, whether incorporated or not, or any receiver or trustee.

(29) Premium, as applied to the securities issued or assumed by the utility, means the excess of the cash value of the consideration received from their sale over the sum of their par or face value and interest or dividends accrued at the date of sale.

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

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

(32) Salvage value means the amount received for property retired, less any expenses incurred in connection with the sale or in preparing the property for sale; or, if retained, the amount at which the material recoverable is chargeable to account 131, materials and supplies, or other appropriate account.

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

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

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

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

(37) Utility or utility company, as used herein and when not otherwise indicated in the context, means any steam corporation. (See Public Service Law.)
461.14 Spreading of income, revenue, and expense items
461.15 Allocation of costs between steam plant and operating expenses to
be made currently
461.16 Charges shall be just and reasonable
461.17 Approval by the commission

Section 461.1 Classification of utilities. (a) For the purpose of
applying the system of accounts prescribed herein, utilities are divided
into two classes as follows:

Class A. Utilities having annual steam operating revenues of $750,000
or more. Such utilities shall keep all the accounts prescribed herein
which are applicable to their operations.

Class B. Utilities having annual steam operating revenues of more than
$100,000 but less than $750,000. Such utilities shall keep all the
accounts prescribed herein which are applicable to their operations,
except those operation and maintenance accounts in which the letter B
does not appear in the prefix.

(b) The class to which any utility belongs shall be determined by the
average of its annual steam operating revenues for the three years next
preceding the effective date of this system of accounts. If at the end
of any calendar year following the effective date of this system of
accounts the annual steam operating revenues of the utility for the
three years ended on that date shall average $750,000, then such utility
shall be classified as a class A utility for the next succeeding year.

(c) Any utility may at its option adopt the system of accounts
prescribed herein for class A utilities. Notice of such action shall be
promptly filed with the commission.

Section 461.2 Records. (a) Each utility shall so keep its books of account,
and all other books, records, and memoranda which support in any way the
entries in such books of account, as to be able to furnish readily full
information as to any item included in any account. Each entry shall be
supported by such detailed information as will permit a ready
identification, analysis, and verification of all the facts relevant
thereto.

(b) The books and records referred to herein include not only
accounting records in a limited technical sense, but all other records
such as minute books, stock books, reports, correspondence, memoranda,
engineering records, calculations, drawings, etc., which may be useful
in developing the history of or facts regarding any transaction.

(c) Except as authorized by the commission, all operating, accounting,
or financial papers, records, books, invoices, stubs, maps, or documents
or any papers or records which support entries to any of the accounts or
which are necessary for an analysis shall be retained permanently. All
such records shall be accessible, at all times, to the authorized
representatives of the commission at a location within the State of New
York.

(d) Subdivisions of any account in the system of accounts prescribed
herein may be kept, provided that such subdivisions do not impair the
integrity of the prescribed accounts. The titles of all such
subdivisions or subaccounts shall refer by number or title to the
account or accounts of which they are subdivisions.

(e) Clearing accounts, in addition to those prescribed, and temporary
or experimental accounts may be kept, provided such additional accounts
do not impair the integrity of the prescribed accounts.

(f) Not later than July 1, 1944, each utility shall have filed with the commission a copy of its manual of accounts, or other systematic statement of accounts, showing every account or subaccount kept during the year 1943, and thereafter shall file (either as the changes occur, or for each calendar year at a date not later than the filing of its annual report) a statement of each account, subaccount, and clearing account opened or discontinued and the effective date of each change. For each clearing account opened, the purpose of the account shall be stated.

(g) The numbers prefixed to account titles are to be considered as part of the titles. Each utility may, however, adopt a different system of account numbers provided that the numbers herein prescribed shall appear in the descriptive headings of the ledger accounts. When the same account number is used in systems of accounts prescribed for different classes of operations conducted by one utility, the initial letters S, E, G, O, R, and W may be prefixed to identify the account with steam heating, electric, gas, omnibus, rail line, or water, respectively. Common utility plant and operating accounts shall be designated by letter C.

461.3 Accounting period. Each utility shall keep its books on a monthly basis, so that for each month all transactions applicable thereto, as nearly as may be ascertained, shall be entered in the books of the utility. A trial balance shall be taken after the monthly postings have been made, and each utility shall close its books at the end of each calendar year.

461.4 Submission of questions. To maintain uniformity of accounting, utilities shall submit questions of doubtful interpretation to the commission for consideration and decision.

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

461.6 Delayed items. (a) The term delayed items means items relating to transactions which occurred prior to the current calendar year but which were not recorded in the books of account in the prior year.

(b) Delayed items shall be charged or credited to the same accounts which would have been charged or credited had the items not been delayed; provided, that when the amount of a delayed item is relatively so large that its inclusion in the accounts for a single month would seriously distort the accounts it may be distributed in equal amounts to the accounts for the current and remaining months of the calendar year. If the amount of any delayed item is relatively so large that its inclusion in the accounts for a single year would seriously distort the accounts, the utility shall distribute the amount to the appropriate
surplus account.

(c) Records shall be maintained so that the utility will be able to list and describe in the annual report for each year each delayed item amounting to $100 or more entered in the Income Account during that year.

461.7 Unaudited items. When, at the end of any year or at such other times as a financial statement may be required by the commission, it is known that a transaction has occurred which affects the accounts, but the amount involved in the transaction and its effect upon the accounts can not be determined with absolute accuracy, then the amount shall be estimated and such estimated amount included in the proper accounts. When the item is audited appropriate adjustments shall be made in the current accounts. The utility is not required to anticipate minor items which would not appreciably affect the accounts.

461.8 Transactions with associated companies. (a) Each utility shall so keep its accounts and records as to be able to furnish readily, accurate statements of all transactions with associated companies. The statements may be required to show the general nature of the transactions, the amounts involved therein and the amounts included in each account prescribed herein with respect to such transactions. Transactions with associated companies shall be recorded in the appropriate accounts for other transactions of the same nature, except as otherwise provided herein.

(b) If a clearing account is not maintained for each associated company in which all gross charges by that company are entered and from which they are distributed, all charges of any nature whatsoever by any associated company shall be credited at the gross amounts involved to a subaccount for that company under account 215, Advances from Associated Companies, or under account 223, Payables to Associated Companies (even though immediately transferred to an account for capital stock, long-term debt, or other liability), as appropriate. In like manner, in the absence of clearing accounts, all gross charges to any associated company shall be debited to a subaccount for that company under account 111, investments in Associated Companies (even though immediately transferred to a special deposit, special fund, or other investment account), or to account 126, Receivables from Associated Companies, as appropriate.

(c) Dividends, rebates, or earnings from associated companies or mutual service companies, representing refunds of the excess charges made by such companies over the cost to them, shall be debited to account 126, Receivables from Associated Companies, and shall be credited so far as practicable to the same accounts to which the corresponding charges were made, including proper distinction between construction and operating expenses. Credits applicable to operating expenses which it is impracticable to allocate among the accounts to which the corresponding charges have been made, shall be to account 806, Duplicate Miscellaneous Charges--Credit.

461.9 Depreciation accounting. Each utility shall record each month the estimated amount of depreciation accrued during that month on steam plant and on the portion of common utility plant applicable to steam operations. (See account 503, depreciation, account 250, reserve for
depreciation of steam plant, and account 253.2, reserve for depreciation and amortization of common utility plant.)

Note A: Depreciation expense applicable to property included in account 102, steam plant leased to others, shall be charged to account 508.2, expenses of steam plant leased to others.

Note B: Depreciation applicable to transportation, stores, shop, and laboratory equipment, and to tools and work equipment shall be charged to clearing accounts provided herein; all depreciation on structures shall be charged to account 503, depreciation.

Note C: The accounting for depreciation of utility plant in other departments which are subject to regulation by the commission shall be in accordance with the effective systems of accounts applicable to such operations.

Note: The charges to steam plant, operating expense and other accounts for services and expenses of employees engaged in activities chargeable to various accounts, such as construction and operations, shall be based upon the actual time engaged in the respective classes of work or, in case that method is impracticable, upon the basis of a study of the time actually engaged during a representative period.

(b) The pay and expenses of general officers shall be charged to the actual work on which they are engaged, to the particular operations over which they have direct supervision, or to the appropriate accounts provided in the administrative and general group in operating expenses.

c) Salaries of officers or employees and incidental expenses which can be distributed equitably upon a predetermined basis may be distributed through clearing accounts.

(d) Except as otherwise specifically provided in this system of accounts or by order of the commission, no amounts for salaries or wages shall be included in charges to steam plant, cost of removal, or steam operating expenses, except account 800, employees' welfare expenses and pensions, which are not paid to the employees affected subject to their free disposition. Payroll deductions made under a statute or order of a court; or for such purposes as group insurance, purchase of appliances or homes, etc., authorized by written order of the employee without coercion of any kind, may be included.

Note: The charges to steam plant, operating expense and other accounts for services and expenses of employees engaged in activities chargeable to various accounts, such as construction and operations, shall be based upon the actual time engaged in the respective classes of work or, in case that method is impracticable, upon the basis of a study of the time actually engaged during a representative period.

(b) The pay and expenses of general officers shall be charged to the actual work on which they are engaged, to the particular operations over which they have direct supervision, or to the appropriate accounts provided in the administrative and general group in operating expenses.

c) Salaries of officers or employees and incidental expenses which can be distributed equitably upon a predetermined basis may be distributed through clearing accounts.

(d) Except as otherwise specifically provided in this system of accounts or by order of the commission, no amounts for salaries or wages shall be included in charges to steam plant, cost of removal, or steam operating expenses, except account 800, employees' welfare expenses and pensions, which are not paid to the employees affected subject to their free disposition. Payroll deductions made under a statute or order of a court; or for such purposes as group insurance, purchase of appliances or homes, etc., authorized by written order of the employee without coercion of any kind, may be included.

Note: The charges to steam plant, operating expense and other accounts for services and expenses of employees engaged in activities chargeable to various accounts, such as construction and operations, shall be based upon the actual time engaged in the respective classes of work or, in case that method is impracticable, upon the basis of a study of the time actually engaged during a representative period.

(b) The pay and expenses of general officers shall be charged to the actual work on which they are engaged, to the particular operations over which they have direct supervision, or to the appropriate accounts provided in the administrative and general group in operating expenses.

c) Salaries of officers or employees and incidental expenses which can be distributed equitably upon a predetermined basis may be distributed through clearing accounts.

(d) Except as otherwise specifically provided in this system of accounts or by order of the commission, no amounts for salaries or wages shall be included in charges to steam plant, cost of removal, or steam operating expenses, except account 800, employees' welfare expenses and pensions, which are not paid to the employees affected subject to their free disposition. Payroll deductions made under a statute or order of a court; or for such purposes as group insurance, purchase of appliances or homes, etc., authorized by written order of the employee without coercion of any kind, may be included.
Note: Incidental refunds or credits to the utility of amounts disbursed for pension purposes, if such refunds are made under the provisions of a pension program filed with the commission, shall not be deemed to impair the irrevocable dedication of monies to pension purposes.

(b) Costs of accident and health insurance; hospital and surgical insurance; disability and lump sum separation allowances; life insurance, when the utility is not the beneficiary; and similar employee benefits, together with the cost of operating educational and recreational facilities, are includible in account 800.1, Employees' Welfare Expenses. (See also note A to account 799, injuries and Damages, and paragraph D of account 800.2, Pensions.) Salaries payable and expenses incurred in the administration of the welfare and pension department are includible in account 800.3, Welfare and Pensions Administration.

(c) No charge shall be made to any account in this system of accounts to reflect advance provision for employee pension and benefits costs or to augment incomplete provision at a given date for amounts computed in relation to service prior to that date, unless full particulars of the program shall have been filed with the commission, including a copy of such supporting documents as:

1. the resolution of the governing board authorizing the program;
2. insurance contract, actuarial formula, or data supporting other method of computation and allocation;
3. trust agreement, if any.

Like filings shall be promptly made of any subsequent material changes in the pension plan. Acceptance by the commission of such data, as filed, shall not be interpreted as constituting approval of a pension and employee benefits program or of the documents associated therewith, or of any accounting made thereunder by the utility.

(d) The utility shall keep supporting records which will disclose as of the end of each accounting period:

1. the amounts disbursed by the company during the period direct to pensioners or their beneficiaries;
2. the amounts paid into the fund dedicated to future pension payments; and for each of such classes of disbursements, the accumulated total from the beginning of the year;
3. the amount accumulated in the pension fund as provision for future pension payments; and
4. at each year end, the amount by which pension commitments under the plan as then in effect, even though subject to future amendment or termination, computed in relation to employee service to that date, (generally the "actuarial liability") exceed the amount in the pension fund.

461.12 Territorial subdivisions.
(a) Unless otherwise authorized or directed by the commission, each city, borough, village, or town and each production plant shall constitute a cost area and separate records shall be maintained of the book cost of steam plant located therein.
(b) Operating revenues shall be recorded so that the amount for each city, borough, village, or town may be readily determined.
(c) Records shall be currently maintained so that the utility will be prepared to show operating revenue deductions separately for each city,
borough, village, or town and for each production plant; provided that,
with the approval of the commission, two or more such territories which
are contiguous and are operated as a unit, may be combined into an
accounting division.

(d) Records shall be kept to show separately the depreciation reserve
applicable to property in each accounting division.

461.13 Accounting for other departments. This system of accounts is
designed for use by steam utilities. If the utility, in addition to its
steam operations, operates other departments, it shall keep such
accounts for the other department as may be prescribed by this
commission, and in the absence of prescribed accounts, it shall keep
such accounts as are proper or necessary to reflect the results of
operating each such other department. It is not intended that
proprietary and similar accounts which apply to the utility as a whole
shall be departmentalized. (See also § 461.2, subd. (g), supra.)

461.14 Spreading of income, revenue, and expense items. (a) Income,
revenue, or expense items shall in all cases be entered in the accounts
in the month in which they accrue and shall not be equalized by
spreading over one or more months by the use of deferred debit, deferred
credit, reserve or other accounts, except as otherwise specifically
provided in this system of accounts or by order of the commission.

(b) When the amount of any unusual item includible in an income,
operating revenue, or operating expense account for a single month is
relatively so large that its inclusion in the accounts for that month
would seriously distort those accounts, it may be included in account
146, other deferred debits, or account 242, other deferred credits, as
appropriate, provided an order of the commission shall have been
obtained permitting such procedure and determining the accounts to which
it shall be distributed and the period of such distribution.

461.15 Allocation of costs between steam plant and operating expenses
to be made currently. Each utility shall determine currently the costs
which are applicable to the steam plant accounts and in the case of
costs involving allocations, the amount which is applicable to other
accounts, such as operating expenses, taxes, retirement work in
progress, other balance sheet accounts, and income or surplus accounts;
the intent of this provision being that such costs shall be allocated to
the accounts to which they are applicable when they are incurred.

461.16 Charges shall be just and reasonable. All charges to the
accounts prescribed in this system for steam plant income, operating
revenues and operating expenses shall be just and reasonable and any
payments by the utility in excess of just and reasonable charges shall
be included in account 538, Miscellaneous income Deductions.

461.17 Approval by the commission. Whenever the phrases with the
permission of the commission, with the approval of the commission,
approved by the commission, authorized by the commission or directed by
the commission, are used herein, such permission, approval,
authorization or direction must be specific and in writing.
Sec. 462.1 Purpose of balance sheet accounts
Sec. 462.2 Current and accrued assets
Sec. 462.3 Current and accrued liabilities
Sec. 462.4 Securities owned
Sec. 462.5 Discount, expense, and premium on capital stock
Sec. 462.6 Discount, expense, and premium on long-term debt
Sec. 462.7 Contingent assets and liabilities
Sec. 462.8 Company securities owned
Sec. 462.9 Nominally issued securities

Section 462.1 Purpose of balance sheet accounts. The balance sheet accounts are intended to disclose the financial condition of the utility as of a given date by showing its assets and other debits, and liabilities, capital stock, surplus (or deficit), and other credits.

Section 462.2 Current and accrued assets. (a) Current and accrued assets are cash, those assets which are readily convertible into cash, or are held for current use in operations or construction, current claims against others, payment of which is reasonably assured, advance payments made by the utility benefit of which is to be realized within a relatively short period, and amounts accruing to the utility which are subject to current settlement, except such items for which accounts other than those designated as current and accrued assets are provided.

(b) There shall not be included in the group of accounts designated as current and accrued assets any item the amount or collectibility of which is not reasonably assured, unless an adequate reserve has been provided therefor. Items of current character but of doubtful value may be written down and for record purposes carried in these accounts at nominal value.

Section 462.3 Current and accrued liabilities. (a) Current and accrued liabilities are those obligations which have either matured at the date of the balance sheet or which become due within one year from the date thereof, including demand obligations, except, however, bonds, receivers' certificates and similar obligations which shall be classified as long-term debt until date or maturity, and except also advances from associated companies; accrued taxes, such as income taxes, which shall be classified in the balance sheet as accrued liabilities even though payable more than one year from the balance sheet date; compensation awards, which shall be classified as current liabilities regardless of date due; interest accrued on customers' deposits, and minor items payable in installments which may be classified as current liabilities.

(b) If a liability is due more than one year from date of issuance or assumption by the utility, it shall be credited to a long-term debt account appropriate for the transaction, except, however, the current liabilities mentioned in subdivision (a) above; but, for the purpose of classification in the balance sheet, a debt (except bonds, receivers' certificates, and similar obligations and advances from associated companies), shall be classified as a current and accrued liability if due within one year from the balance sheet date.
462.4 Securities owned.

(a) Securities of others acquired by the utility shall be recorded in these accounts at cost at the time of acquisition. Cost does not include any amount paid for accrued interest or dividends.

(b) 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 the 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 538, Miscellaneous Income Deductions, or to account 414, Miscellaneous Debits to Surplus, or to an appropriate reserve account.

(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.

462.5 Discount, expense, and premium on capital stock.

(a) This system of accounts provides separate accounts for discount, expense, and premium on capital stock. These accounts shall be subdivided for each class and series of capital stock issued by the utility. Expenses applicable to capital stock shall not be added to capital stock discount nor deducted from premium on capital stock.

(b) In stating the balance sheet, discount and expense and premium shall not be set-off against each other.

(c) General levies or assessments against holders of stock with par value shall be credited to the premium account for the particular class and series of capital stock so assessed; levies or assessments against holders of stock without par value shall be credited to the account for the particular class and series of stock so assessed.

(d) If discount or expense on capital stock is charged off in whole or in part, prior to retirement of the stock, account 414, Miscellaneous Debits to Surplus, shall be debited.

(e) When capital stock which has been actually issued by the utility is reacquired or retired, the difference between the amount paid therefor upon reacquisition by the utility and the par value (amount at which included in account 200, Common Capital Stock, or account 201, Preferred Capital Stock, in the case of stock without par value) plus
the premium or less the discount and expense originally entered in respect thereto and not charged off, shall be debited or credited, as the case may be, to account 270, Unearned Surplus; provided, however, that debits shall be charged to account 414, Miscellaneous Debits to Surplus, if the amounts thereof exceed the balance in unearned surplus; and provided further, that in no event shall debits in excess of accumulated credits from the retirement of stock be charged to unearned surplus.

Note: The above subdivision (e) does not apply in case of merger or consolidation.

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462.6 Discount, expense, and premium on long-term debt.

(a) A discount, expense, and premium account shall be maintained for each class and series of long-term debt (including receivers' certificates) issued or assumed by the utility, in which shall be recorded the discount, expense, and premium associated with the issuance and sale of each such class and series of debt.

(b) In stating the balance sheet, the total of the debit balances (discount plus expense, or expense less premium) remaining in those accounts having debit balances, shall be reported under account 140, Unamortized Debt Discount and Expense, and the total of the credit balances (premium less expense) remaining in those accounts having credit balances shall be reported under account 240, Unamortized Premium on Debt. Accounts with debit balances shall not be set off by accounts with credit balances.

(c) The discount, expense, and premium referred to above shall be amortized over the life of the respective issues under such a plan as will equitably distribute the amounts over the life of the securities. The amortization shall be on a monthly basis, and the amounts thereof shall be charged to account 531, Amortization of Debt Discount and Expense, or credited to account 532, Amortization of Premium on Debt--Credit, as may be appropriate. The utility may, however, accelerate the charging off of discount and expense by charges to account 531, Amortization of Debt Discount and Expense, or to account 414, Miscellaneous Debits to Surplus.

(d) When any long-term debt is reacquired or redeemed without being converted into another form of long-term debt and when the transaction is not in connection with a refunding operation, the unamortized debt discount and expense or premium applicable to the debt reacquired or redeemed shall be cleared from the accounts. If a debit, such amount may be distributed in whole or in part to either account 531, Amortization of Debt Discount and Expense, or to account 414, Miscellaneous Debits to Surplus; or, if a credit, to either account 532, Amortization of Premium on Debt--Credit, or account 401, Miscellaneous Credits to Surplus. The difference, if any, between the face amount of the debt reacquired or redeemed, and the amount paid upon reacquisition shall be distributed, if a debit, to either account 538, Miscellaneous Income Deductions, or account 414, Miscellaneous Debits to Surplus; or, if a credit, to either account 526, Miscellaneous Non-operating Revenues, or account 401, Miscellaneous Credits to Surplus.

(e) When the redemption of one issue or series of bonds or other long-term obligations is financed by another issue or series before the date of maturity of the first issue, the accounting shall be as provided in subdivision (d) unless otherwise ordered or directed by the
commission.

(f) Discount, expense, or premium on debt shall not be included as part of the cost of constructing or acquiring any property, tangible or intangible, except under the provisions of paragraph (14) of subdivision (a) of section 463.4.

462.7 Contingent assets and liabilities. Contingent assets represent a possible source of value to the utility contingent upon the fulfillment of conditions regarded as uncertain. Contingent liabilities include items which may under certain conditions become obligations of the utility but which are neither direct nor assumed liabilities at the date of the balance sheet. The utility shall be prepared to give a complete statement of contingent assets and liabilities (including cumulative dividends on preference stock) in its annual report and at such other times as may be requested by the commission.

462.8 Company securities owned.

Securities actually issued or assumed by the utility which have been reacquired shall be either retired or carried in account 152, Reacquired Capital Stock, or account 153, Reacquired Long-term Debt, unless it is required by provision of a mortgage, or by decision of a trustee not subject to control by the accounting utility, that they be retained alive in sinking or other funds. When so retained they shall be considered as actually outstanding, but not otherwise.

462.9 Nominally issued securities. (a) Each utility shall maintain, in addition to the capital stock and bond accounts shown in the balance sheet, memorandum debit and credit accounts for securities which have been nominally, but not actually, issued.

(b) When non-par stock is nominally issued the number of shares issued shall be shown in the memorandum accounts.

(c) Subdivisions shall be maintained under the memorandum accounts for each class of securities.

PART 463

INSTRUCTION--STEAM PLANT ACCOUNTS

(Statutory authority: Public Service Law, § 80)

Sec.
463.1 Classification of steam plant at effective date of system of accounts
463.2 Steam plant to be recorded at original cost
463.3 Steam plant purchased
463.4 Components of construction cost
463.5 Overhead construction costs
463.6 Leased property, expenditures on
463.7 Temporary facilities
463.8 Land and land rights
463.9 Structures and improvements
463.10 Equipment
463.11 Additions and retirements of steam plant
463.12 Work order system required
463.13 Transfers of property
463.14 Common utility plant

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Section 463.1 Classification of steam plant at effective date of system of accounts. (a) Not later than December 31, 1938, each utility shall have completed the studies necessary for determining the original cost thereof and classifying its steam plant as of the effective date of this system of accounts in accordance with the accounts prescribed herein (accounts 101 to 105 and subaccounts thereunder) and it shall submit prior to said date to the commission the entries it proposes to make to carry out the provisions of this system of accounts. It shall submit also, a comparative balance sheet showing the accounts and amounts appearing in its books as of the effective date of this system of accounts and the accounts and respective amounts as of the same date after the proposed entries shall have been made.

(b) Pending the classification of steam plant at the effective date of this system of accounts in accordance with the accounts prescribed herein, each utility shall maintain its present accounts with respect to such property as subaccounts of account 106.1, Steam Plant in Process of Reclassification.

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

463.2 Steam plant to be recorded at original cost.

(a) All amounts included in subaccounts of accounts 101 to 104 for steam plant (except as otherwise provided in account 302, Franchises and Consents) shall be the original cost (see § 460.1, subd. (a)(27)) of such steam plant.

(b) When the term cost is used in the detailed steam plant accounts, it shall mean the original cost unless otherwise specified and shall include not only the materials, supplies, labor, services and other items consumed or employed in the construction and installation of steam plant, but also the cost of preliminary studies, plans, surveys, engineering, supervision, and general expenses, which contribute directly and immediately to steam plant without duplication of such costs.

(c) When the consideration given for property is other than cash, the value of such consideration shall be determined on a cash basis. In the entry recording such transaction the actual consideration shall be described with sufficient particularity to identify it. The utility shall be prepared to furnish the commission the particulars of its determination of the cash value of the consideration, if other than cash.

(d) When property is purchased under a plan involving deferred payments, no charge shall be made to the steam plant accounts for interest, insurance, or other expenditures occasioned solely by such form of payment.

(e) Steam plant contributed to the utility or constructed by it from contributions to it of cash or its equivalent shall be charged to the steam plant accounts at cost (see § 460.1, subd. (a) (13)) to the utility (i.e., original cost less the portion thereof contributed by or on behalf of customers). Records shall be kept so that the utility can readily furnish information as to the source, purpose, and amount of each contribution, the property to which each contribution relates, and the conditions, if any, upon which each contribution was made.
A: Amounts received for construction which are ultimately to be refunded, wholly or in part, shall be credited to account 241, Customers' Advances for Construction. When the amount to be refunded has been finally determined, the balance, if any, remaining in account 241 shall be debited thereto and credited to the steam plant accounts to which the cost of the property was charged.

B: Amounts in account 265, Contributions in Aid of Construction, as of the effective date of this amendment, which are applicable to and can be identified with property in service or held for future use, shall be transferred to the accounts in which the cost of such property is carried. The balance, if any, remaining in account 265, Contributions in Aid of Construction, shall be transferred to account 250, Reserve for Depreciation of Steam Plant (or account 253.1, Reserve for Depreciation and Amortization of Other Utility Plant, or 253.2, Reserve for Depreciation and Amortization of Common Utility Plant, if appropriate), unless the commission approves or directs other disposition.

463.3 Steam plant purchased. (a) When steam plant constituting an operating unit or system is acquired by purchase, merger, consolidation, liquidation, or otherwise, after the effective date of this system of accounts, the cost of acquisition, including expenses incidental thereto and properly includible in steam plant, shall be charged to account 106.2, Steam Plant Purchased.

(b) The accounting for the acquisition shall then be completed as follows:

1. The original cost, estimated if not known, (less any credits for contributions in aid of construction applicable to the property transferred), shall be credited to account 106.2, Steam Plant Purchased, and concurrently charged to account 101, Steam Plant in Service, account 102, Steam Plant Leased to Others, account 103, Construction Work in Progress, and account 104, Steam Plant Held for Future Use, as appropriate, and distributed to the detailed accounts which they control.

2. The accrued depreciation applicable to the properties purchased shall be charged to account 106.2, Steam Plant Purchased, and concurrently credited to account 250, Reserve for Depreciation of Steam Plant.

3. The amounts previously carried by the selling company in account 265, Contributions in Aid of Construction, shall be charged to account 106.2, Steam Plant Purchased, and concurrently credited to account 265, Contributions in Aid of Construction.

4. The amount remaining in account 106.2, Steam Plant Purchased, shall then be closed to account 105, Steam Plant Acquisition Adjustments, unless otherwise ordered by this commission.

(c) In connection with the acquisition of steam plant constituting an operating unit or system, the utility shall procure, if possible, all existing records relating to the property acquired, or certified copies thereof, and shall preserve such records until authorized by the commission to destroy or otherwise dispose of them.

463.4 Components of construction cost.

(a) The cost of construction properly includible in the steam plant accounts shall include, when applicable and when actually incurred, the direct and overhead costs as listed and defined hereunder:
(1) Contract work includes amounts paid for work performed under contract by other companies, firms, or individuals, costs incident to the award of such contracts, and the inspection of such work. It does not include the cost of work performed by the utility on projects when part of the work is performed by the utility itself and part is performed by others under contract.

(2) Labor includes the pay and expenses of employees of the utility engaged on construction work, and also workmen's compensation insurance, pay roll taxes and similar items of expense. It does not include the pay and expenses of employees which are distributed to construction through clearing accounts nor the pay and expenses included in other items hereunder.

(3) Materials and supplies includes the purchase price at the point of free delivery plus customs duties, excise taxes, the cost of inspection, loading and transportation, the related stores expenses and the cost of fabricated materials from the utility's shop. In determining the cost of materials and supplies used for construction, proper credit shall be made for unused materials and supplies, for materials recovered from temporary structures used in performing the work involved, and for discounts allowed and realized in the purchase of materials and supplies.

Note: The cost of individual items of equipment of small value (for example, $200 or less) or of short life, including small portable tools and implements, shall not be charged to steam plant accounts unless the correctness of the accounting therefor is verified by current inventories. The costs shall be charged to the appropriate operating expense or clearing accounts, according to the use of such items, or, if such items are consumed directly in construction work, the cost shall be included as part of the cost of the construction.

(4) Transportation includes the cost of transporting employees, materials and supplies, tools, purchased equipment, and other work equipment (when not under own power) to and from points of construction. It includes amounts paid to others as well as the cost of operating the utility's own transportation equipment. (See paragraph (5) of this subdivision.)

(5) Special machine service includes the cost of labor, optional materials and supplies, depreciation, and other expenses incurred in the maintenance, operation and use of special machines, such as steam shovels, pile drivers, derricks, ditchers, scrapers, trenching machines, material unloaders, and other labor-saving machines; also expenditures for rental, maintenance and operation of machines of others. It does not include the cost of small tools and other individual items of small value or short life which are included in the cost of materials and supplies. (See paragraph (3) of this subdivision.) When a particular construction job requires the use for an extended period of time of special machines, transportation or other equipment, the net cost thereof, less the appraised or salvage value at time of release from the job, shall be included in the cost of construction.

(6) Shop service includes the proportion of the expense of the utility's shop department assignable to construction work, except that the cost of fabricated materials from the utility's shop shall be included in "materials and supplies".

(7) Protection includes the cost of protecting the utility's property from fire or other casualties and the cost of preventing damages to
others, or to the property of others, including payments for discovery or extinguishment of fires, cost of apprehending and prosecuting incendiaries, witness fees in relation thereto, amounts paid to municipalities and others for fire protection, and other analogous items of expenditures in connection with construction work.

(8) Injuries and damages includes expenditures or losses in connection with construction work on account of injuries to persons and damages to the property of others; also the cost of investigation of and defense against actions for such injuries and damages. Insurance recovered or recoverable on account of compensation paid for injuries incident to construction shall be credited to the account or accounts to which such compensation is charged. Insurance recovered or recoverable on account of property damages incident to construction shall be credited to the account or accounts charged with the cost of damages.

(9) Privileges and permits includes payments for and expenses incurred in securing temporary privileges, permits or rights in connection with construction work, such as for the use of private or public property, streets, or highways, but it does not include rents, or amounts chargeable as franchises and consents for which see account 302, Franchises and Consents.

(10) Rents includes amounts paid for the use of property during the construction period, such as construction quarters and office space occupied by construction forces and amounts properly includible in construction costs for such facilities jointly used.

(11) Engineering and supervision includes the portion of the pay and expenses of engineers, surveyors, draftsmen, inspectors, superintendents, and their assistants applicable to construction work.

(12) General administration includes the portion of the pay and expenses of the general officers and administrative and general expenses applicable to construction work.

(13) Employee pensions and benefits includes the portion of the cost of employee pensions and benefits which is applicable to construction work.

(14) Engineering services includes amounts paid to other companies, firms or individuals engaged by the utility to plan, design, prepare estimates, supervise, inspect, or give general advice and assistance in connection with construction work. A copy of the agreement or arrangement under which such services are rendered shall be preserved.

(15) Insurance includes premiums paid or amounts provided or reserved as self-insurance for the protection against loss and damages in connection with construction, by fire or other casualty, injury to or death of persons other than employees, damages to property of others, defalcation of employees and agents, and the nonperformance of contractual obligations of others. It does not include workers' compensation or similar insurance on employees included as "labor" in subdivision (b) of this section.

(16) Law expenditures includes the general law expenditures incurred in connection with construction and the court and legal cost directly related thereto, other than law expenses included in protection, paragraph (7) of this subdivision, and in injuries and damages, paragraph (8) of this subdivision.

(17) Taxes includes taxes on physical property (including land) during the period of construction and other taxes properly includible in construction costs before the facilities become available for service.
The period of construction shall extend from the date of commencement of construction to the time when property is ready for service and shall also include any reasonable and necessary period during which the property is held for future service; but shall not include, except upon order of the commission, any period in excess of one year during which construction is suspended.

(18) Interest during construction includes the net cost of borrowed funds used for construction purposes and a reasonable rate upon the utility's own funds when so used. Interest during construction shall be charged to the individual job upon which the funds are expended and shall be credited to account 536, Interest Charged to Construction--Credit. The period for which interest may be capitalized shall be limited to the period of construction. No interest charges shall be included in these accounts upon expenditures for construction projects which have been abandoned. (See paragraph (17) of this subdivision.)

Note: When a part only of a plant or project is placed in operation but the construction work as a whole is incomplete, that part of the cost of the property placed in operation shall be treated as "steam plant in service" and interest thereon as a charge to construction shall cease.

(19) Earnings and expenses during construction. The earnings and expenses during construction shall constitute a component of construction costs.

(i) The earnings shall include revenues received or earned for steam produced by generating stations during the construction period and sold or used by the utility. When such steam is sold to an independent purchaser before intermingling with steam generated by other plants, the credit shall consist of the selling price of the steam. When the steam generated by a plant under construction is delivered to the utility's steam system for distribution and sale, or is delivered to an associated company, or is delivered to and used by the utility for purposes other than distribution and sale (for manufacturing or industrial use, for example), the credit shall be the fair value of the steam so delivered. The revenues shall also include rentals for lands, buildings, etc., and miscellaneous receipts not properly includible in other accounts.

(ii) The expenses shall consist of the cost of operating the steam generating station and other cost incident to the generation and delivery of the steam for which construction is credited under subparagraph (i) of this paragraph, including the cost of repairs and other expenses (but not taxes) of operating and maintaining lands, buildings and other property, and other miscellaneous and like expenses not properly includible in other accounts.
(b) The instructions contained herein shall not be interpreted as permitting the addition to steam plant accounts of arbitrary percentages or amounts to cover assumed overhead costs, but as requiring the assignment to particular jobs and accounts of reasonable overhead costs to the extent actually incurred, as shown by records currently maintained.

(c) The records supporting the entries for overhead construction costs shall be so kept as to show the total amount of each overhead for each year, the nature and amount of each overhead expenditure charged to each construction work order and to each steam plant account, and the bases of distribution of such costs.

SO DOC 16B-463.6
463.6 Leased property, expenditures on. (a) Except as provided in subdivision (b) of this section, the cost of initial improvements (including repairs, rearrangements, additions and betterments) to property leased from others made in the course of preparing the property for service, and the cost of any subsequent additions or betterments to such leased property shall be charged to the steam plant or other property account appropriate for the class of property leased. (See account 101 and operation and maintenance instruction, section 467.5 of this Article.)

(b) When the initial improvements to leased property which are otherwise chargeable to steam plant or other property accounts are of relatively minor cost or short life, the cost shall be charged to the account in which the rent expense is included. If the period of the lease is not more than five years, the cost may be carried in account 146, Other Deferred Debits, and charged off over the period of the lease to the account in which the rent expense is included. (See also operation and maintenance instruction, section 467.5 (e) of this Article.)

SO DOC 16B-463.7
463.7 Temporary facilities. When property ordinarily having a service life of more than one year is installed for temporary use in steam service, it shall be accounted for in the manner prescribed for steam plant in service.

SO DOC 16B-463.8
463.8 Land and land rights.

(a) Land and land rights means land owned in fee by the utility, and rights, interests and privileges held by the utility in land owned by others, such as leaseholds, easements, rights-of-way, and other like interests in land.

(b) The accounts for land and land rights shall include the first cost, including the amounts of mortgages or other liens assumed, but not rents payable periodically with respect to such rights.

(c) When special assessments for public improvements provide for deferred payments, the full amount of the assessments shall be charged to the appropriate land account and the unpaid balance shall be carried in an appropriate liability account. Interest on unpaid balances shall be charged to the appropriate interest account. If any part of the cost of public improvements is included in the general tax levy, the amount thereof shall be charged to the appropriate tax account.

(d) The net profit from the sale of timber, cord wood, or other property acquired with rights-of-way or other lands shall be credited to the appropriate land and land rights account. When land is held for a
considerable period of time and timber on the land at the time of purchase increases in value, the net profit (after giving effect to the cost of the timber) from the sales of timber or its products shall be credited to account 526, miscellaneous nonoperating revenues.

(e) Separate entries shall be made for the acquisition, transfer, or retirement of each parcel of land, and each land right, having a life of more than one year. A record shall be maintained showing the nature of ownership, full legal description, area, map reference, purpose for which used, city, county, and tax district in which situated, from whom purchased or to whom sold, payment given or received, other costs, contract date and number, date of recording of deed, book and page of record. Entries transferring or retiring land or land rights shall refer to the original entry recording its acquisition. A parcel of land acquired and carried on the books as a unit, is not required to be subdivided, with transfers to other land accounts, merely because of the erection thereon of an incidental structure to be used in steam operations but for a purpose differing from that for which the land is chiefly employed; for example, a small general storehouse on production plant land.

(f) Entries to the steam plant accounts for limited-term interests in land shall make specific reference to the lease, contract or arrangement under which each interest is held or used, together with a concise statement of the terms of the lease, contract or arrangement.

(g) The cost of buildings and other improvements (except bulkheads, buried, not requiring maintenance or replacement; retaining walls primarily for preserving the level of land; assessments for public improvements, and sidewalks and curbs constructed by the utility on public streets) shall not be included in the land accounts. If at the time of acquisition of an interest in land such interest extends to buildings or other improvements (other than public improvements), which are then devoted to steam operations, the land and improvements shall be separately appraised and the cost allocated to land and buildings or improvements on the basis of the appraisals. If the improvements are removed or wrecked without being used in steam operations, the cost thereof and the cost of removing or wrecking shall be charged and the salvage credited to the account in which the cost of the land is recorded.

(h) The cost of land acquired in excess of that used in steam operations shall be included in account 108, Other Utility Plant, account 110, Other Physical Property, or account 104, Steam Plant Held for Future Use, as appropriate.

(i) When the purchase of land for steam operations requires the purchase of land not to be used for such purposes, the charge to the specific land account shall be based upon the cost of the land purchased, less the fair market value of that portion of the land which is not to be used for steam operations. The fair market value of such land not to be used for steam operations shall be included in account 110, Other Physical Property.

(j) When the purchase of land for steam operations requires the purchase of land not to be used for such purpose, but held for such purpose, the charge to the specific land account shall be based upon the cost of only that portion which is used for steam operations, and the cost of the remaining land shall be included in account 104, Steam Plant Held for Future Use.
(k) The items of cost to be included in the accounts for land and land rights are as follows (see steam plant instruction ò 463.3):

1. Bulkheads, buried, not requiring maintenance or replacement.
2. Cost of acquisition including mortgages and other liens assumed (but not subsequent interest thereon after the property is placed in service).
3. Clearing (first cost) the land of brush, trees and debris; and also tree trimming (first cost) when not chargeable to other steam plant accounts.
4. Condemnation proceedings, including court and counsel costs.
5. Consents and abutting damages, payment for.
6. Conveyancers' and notaries' fees.
7. Fees, commissions, and salaries to brokers, agents and others in connection with the acquisition of the land or land rights.
8. Grading the land, except when directly occasioned by the building of a structure.
9. Leases, cost of voiding upon purchase to secure possession of land.
10. Removing, relocating, or reconstructing property of others, such as buildings, highways, railroads, bridges, cemeteries, churches, telephone and power lines, etc., in order to acquire quiet possession.
11. Retaining walls when they increase the value of the land or are primarily to preserve the level of the land.
12. Special assessments levied by public authorities for public improvements on the basis of benefits for new roads, new bridges, new sewers, new curbing, new pavements, and other public improvements, but not taxes levied to provide for the maintenance of such improvements.
13. Surveys in connection with the acquisition.
14. Taxes assumed, accrued to date of transfer of title.
15. Title, examining, clearing, insuring, and registering in connection with the acquisition, and defending against claims relating to the period prior to the acquisition.

NYCRR 463.9 Structures and improvements.

(a) Structures and improvements means all permanent buildings and structures to house, support or safeguard property or persons, and improvements of a permanent character, other than public improvements, on or to land.
(b) Buildings means permanent structures to house, support or safeguard property or persons, including all fixtures permanently attached to and made a part of buildings and which can not be removed therefrom without cutting into the walls, ceilings or floors, or without in some way impairing the buildings.
(c) Improvements means permanent improvements (other than buildings) to land.
(d) Items of cost (see steam plant instruction ò 463.3).

BUILDINGS

1. Architects' plans.
2. Ash pits (when located within the building proper).
3. Boilers, furnaces, piping, wiring, fixtures, and machinery for heating, lighting, signaling, ventilating and plumbing.
4. Bulkheads, including dredging, riprap fill, piling, decking, concrete, fenders, etc., when exposed and subject to maintenance and replacement.
(5) Chimneys.
(6) Coal bins and bunkers.
(7) Commissions and fees to brokers, agents, architects and others.
(8) Conduit.
(9) Damages to abutting property during construction.
(10) Door checks and door stops.
(11) Drainage and sewerage systems.
(12) Elevators, cranes, hoists, etc., and the machinery for operating them, when not specifically provided for in other accounts.
(13) Excavation, including shoring, bracing, bridging, refill, and disposal of excess excavated material.
(14) Fire protection systems when forming a part of a structure.
(15) Floor covering (permanently attached).
(16) Foundations and piers for machinery, constructed as a permanent part of a building or other item listed herein.
(17) Grading when directly occasioned by the building of a structure.
(18) Leases, voiding upon purchase, to secure possession of structures.
(19) Leased property, expenditures on.
(20) Lighting fixtures and outside lighting systems.
(21) Painting, at time of construction.
(22) Partitions, including movable.
(23) Permits and privileges.
(24) Platforms, railings and gratings when constructed as a part of a structure.
(25) Power boards for services to a building.
(26) Refrigerating systems for general use.
(27) Retaining walls.
(28) Scales, connected to and forming a part of a structure.
(29) Screens.
(30) Sprinkling Systems.
(31) Stacks--brick, steel, or concrete, when set on foundation forming part of general foundation or steelwork of a building.
(32) Storage facilities constituting part of a building.
(33) Storm doors and windows.
(34) Subways, areaways, and tunnels, directly connected to and forming part of a structure.
(35) Tanks constructed as part of a building when not includible in another account.
(36) Tunnels, intake and discharge, when constructed as part of a structure.
(37) Vaults constructed as part of a building.
(38) Water supply system for a building.
(39) Window shades and ventilators.

OTHER STRUCTURES AND IMPROVEMENTS
(1) Athletic field structures.
(2) Billboards.
(3) Docks.
(4) Fences and fence curbs (not including protective fences isolating individual items of equipment, which should be charged to the appropriate equipment account).
(5) Gas and oil supply systems, including pipe lines, holders, boosters, etc.
(6) Intra-site communication system poles, pole fixtures, wires and
cables.

(7) Landscaping, lawns, shrubbery, etc.

(8) Retaining walls (not associated with a building), except when they increase the value of the land or are primarily to preserve the level of the land.

(9) Roadways, railroads, bridges, and trestles, intra-site, except railroads provided for in equipment accounts.

(10) Sewer systems for general use.

(11) Sidewalks, curbs and streets constructed by the utility, except sidewalks and curbs on public streets, which shall be included in the land account.

(12) Tanks, when constructed as distinct structural units.

(13) Waterfront improvements.

(14) Water supply piping, hydrants and wells.

(15) Yard drainage systems.

(16) Yard lighting systems.

(17) Yard surfacing, gravel, concrete or oil.

Note: The cost of disposing of material excavated in connection with construction shall be considered as a part of the cost of such work, except as follows: (a) when such material is used for filling, the cost of loading, hauling and dumping shall be equitably apportioned between the work in connection with which the removal occurs and the work in connection with which the material is used; (b) when such material is sold, the net amount realized from such sales shall be credited to the work in connection with which the removal occurs. If the amount realized from the sale of excavated materials exceeds the removal costs and the costs in connection with the sale, the excess shall be credited to the land account in which the site is carried.

(e) Items not included in buildings. (1) Do not include in the cost of buildings, lighting, heating, or other fixtures temporarily attached for purposes of display or demonstration.

(2) The cost of specially provided foundations not expected to outlast the machinery or apparatus for which provided, and the cost of angle irons, castings, etc., installed at the base of an item of equipment, shall be charged to the same account as the cost of the machinery, apparatus or equipment.

(3) When furnaces and boilers are used primarily for producing steam for distribution to customers and only incidentally for heating a building and operating the equipment therein, the entire cost of such furnaces and boilers shall be charged to the appropriate plant account, and no part to the building account.

463.10 Equipment. (a) Equipment as used in this system of accounts, means all tangible steam plant, other than land and structures as herein defined.

(b) The cost of equipment, unless otherwise indicated in the text of an equipment account, includes, in addition to the actual price thereof, sales taxes, investigation and inspection expenses necessary to such purchase, expenses of transportation when borne by the utility, labor employed, materials and supplies consumed, and expenses incurred by the utility in unloading and placing the equipment in readiness to operate.

(c) Exclude from equipment accounts hand and other portable tools which are likely to be lost or stolen or which have relatively small value (for example, $200 or less) or short life, unless the correctness
of the accounting therefor as steam plant is verified by current inventories. Special tools acquired and included in the purchase price of equipment shall be included in the appropriate plant account. Portable drills and similar tool equipment when used in connection with the operation and maintenance of a particular plant or department, such as production, transmission, distribution, etc., or stores, shall be charged to the plant account appropriate for their use.

(d) The equipment accounts shall include angle irons and similar items which are installed at the base of an item of equipment, but piers and foundations which are designed to be as permanent as the buildings which house the equipment, or which are constructed as a part of the building and which cannot be removed without cutting into the floors or walls of the building, shall be included in the building accounts.

(e) The equipment accounts shall include all the necessary costs of testing or running a plant or part thereof during an experimental or test period prior to becoming available for service. The accounting utility shall furnish the commission with full particulars of and justification for any test or experimental run extending beyond a period of 30 days.

(f) The cost of efficiency or other tests made subsequent to the date equipment becomes available for service shall be charged to the appropriate operating expense accounts, except that tests to determine whether equipment meets the specifications and requirements as to efficiency, performance, etc., guaranteed by manufacturers, made after operations have commenced and within the period specified in the agreement or contract of purchase, may be charged to the appropriate steam plant account.

463.11 Additions and retirements of steam plant. (a) For the purpose of avoiding undue refinement in accounting for additions to and retirements and replacements of steam plant, all property shall be considered as consisting of (1) retirement units and (2) minor items of property.

(b) Units of property (i.e., retirement units, see section 460.1 (a)(36) of this Article). Each utility may adopt its own list of retirement units for the purpose of this instruction until such time as the commission shall prescribe a list of units. Not later than six months after the effective date of this system of accounts, each utility shall file with the commission a list of the items of property it proposes to account for as retirement units of property. Revisions of such list may be made at any time by appropriate filing thereof with the commission.

(1) When a retirement unit is added to steam plant, the cost thereof shall be added to the appropriate steam plant account, except that when retirement units are acquired in the acquisition of any steam plant constituting an operating system, they shall be accounted for as provided in steam plant instruction, section 463.3 of this Part.

(2) When a retirement unit is retired from steam plant, with or without replacement, the book cost thereof shall be credited to the steam plant account in which it is included, determined in the manner set forth in subdivision (d) of this section. The book cost of the retirement unit retired and credited to steam plant shall be charged to the depreciation reserve provided for such property. (See also account 144, Retirement Work in Progress, and steam plant instruction, section
(c) Minor items of property. (1) When a minor item of property which does not replace a similar item in which is a part of or associated with a retirement unit and will be accounted for and retired together with such unit, and which by itself or together with other similar items makes a substantial addition, is added to the plant, the cost thereof shall be added to the appropriate steam plant account; otherwise the cost of any minor item of property shall be charged to the appropriate maintenance account. The amount added to steam plant accounts for such minor items shall not, however, exceed the additional cost computed at current prices that would have been incurred if the minor items had been installed together with the retirement units to which they are related.

(2) When a minor item of property is retired and not replaced, the book cost thereof shall be credited to the steam plant account in which it is included; the depreciation reserve shall be charged with the book cost and cost of removal and credited with the salvage. If, however, the book cost of a minor item retired and not replaced, the original cost of which is less than $100, has been or will be accounted for by its inclusion in the retirement unit of which it is a part when such unit is retired, no separate credit to the property account is required when such minor item is retired.

(3) When a minor item of property is replaced independently of the retirement unit of which it is a part, the cost of replacement shall be charged to the maintenance account appropriate for the item, except that if the replacement effects a substantial betterment (the primary aim of which is to make the property affected more useful, more efficient, or of greater capacity), the excess cost due to the betterment shall be charged to the appropriate steam plant account. Such excess cost shall not exceed the additional cost computed at current prices that would have been incurred for such betterment if it had been installed together with the retirement unit to which it is related.

(d) Determination of book cost. The book cost of steam plant retired shall be the amount at which such property is included in steam plant accounts 101 to 104 or 106, including all components of construction costs. The book cost shall be determined from the utility's records and if this can not be done, it shall be estimated. When it is impracticable to determine the book cost of each item, due to the relatively large number or small cost thereof, the average book cost of the items, with due allowance for any differences in size, character, and year of installation, shall be used as the book cost of the items retired.

(e) Land retired. The book cost of land retired shall be credited to the appropriate land account. If the land is sold, the difference between the book cost and the sale price of the land (less commissions and other expenses of making the sale) shall be credited or debited to the appropriate depreciation reserve.

(f) Steam plant sold. When steam plant constituting an operating unit or system is sold, conveyed or transferred to another by sale, merger, consolidation or otherwise, the book cost of the property sold or transferred to another shall be credited to the appropriate steam plant accounts, and amounts carried in account 105, Steam Plant Acquisition Adjustments, shall be credited thereto. The amounts (estimated if not known) carried with respect thereto in the depreciation and amortization reserve accounts and in account 241, Customers' Advances for Construction, and account 265, Contributions in Aid of Construction,
shall be charged to such reserves and accounts. Unless otherwise ordered by the commission, the difference, if any, between (1) the net amount of debits and credits and (2) the consideration received for the property (less commissions and other expenses of making the sale) shall be included in account 414, Miscellaneous Debits to Surplus, or account 401, Miscellaneous Credits to Surplus, as appropriate. (See account 106.3, Steam Plant Sold.)

(g) The service value of steam plant retired shall be charged in its entirety to account 250, Reserve for Depreciation of Steam Plant. Any amounts which by approval of the commission are charged to account 141, Extraordinary Property Losses, shall be credited to account 250, Reserve for Depreciation of Steam Plant.

(h) The ledgers containing the primary steam plant accounts and subdivisions thereof shall be kept so as to show on their face (1) additions, (2) retirements, and (3) transfers and adjustments. Corrections of errors and adjustments to additions or retirements in the current or preceding year shall be classified as additions or retirements.

(i) The cost of paving disturbed, including replacing pavement, pavement base and sidewalks, shall be included in the steam plant accounts only when incurred in connection with the addition of one or more retirement units of property; and the cost associated with a particular retirement unit (see, however, subd. (d), supra) shall be retired when that retirement unit is retired, irrespective of whether the paving itself has a shorter or longer life. No addition (except charges to land for public improvements) shall be made to any steam plant account for cost of paving installed in public streets which is not directly occasioned by the installation of property constituting one or more retirement units with which the paving cost is associated as an element of cost. Amounts for such cost of pavement which are included in any primary steam plant account or subdivision thereof shall be carried in a separate subdivision of the account so that the balance therein may be determined at any time.

(j) In the case of substantial items of equipment readily identifiable by serial number or other distinguishing mark, such as pumps, motors, meters, vehicles, furniture, etc., which are retired from plant and not sold or scrapped, statistical records shall be maintained to show readily the year of original entry into utility service and the year when permanently retired and the salvage realized at permanent retirement. Such statistical records shall be of such nature that the history of the property may be recast to reflect the total life and final salvage of such items and to eliminate the intermediate retirements and reuses, during the life of the property as well as after final retirement.

463.12 Work order system required.

(a) Each utility shall record all changes in steam plant used wholly or partly in steam operations by means of a work order or job order system. The work order system shall include a work order estimate and a work in progress record, which shall be supported as indicated below.

(b) All installations, additions, retirements, or replacements shall be covered by a work order estimate and a work in progress record. Standing work orders may be used by utilities with steam annual operating revenues in excess of $25,000,000 for projects of less than
by utilities with similar revenues between $5,000,000 and $25,000,000 for projects of less than $5,000 each; and utilities with similar revenues below $5,000,000 for projects of less than $1,000 each; 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.

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

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

(2) A description and the location of the work to be done (or the purchase to be made), stating the reasons which necessitated the work, 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 when completed and the date when 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., 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 in existing property, either the work order estimate or the work in progress record shall show the year of installation of the property retired or otherwise affected and shall show or refer to other records which cover the book cost (estimated if not known, and the basis of the estimate to be stated) and the name and page of the accounting and engineering books and records covering such installation and the cost thereof.

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

(1) A designation number or letter which 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 shall be numbered or lettered in such manner as to be readily identifiable with the work order estimate for the same project.

(2) The accumulated charges applicable to each particular 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 steam plant account, the work in progress record shall be kept so as to show the amount chargeable to each account. Every charge or credit on 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 103, construction work in progress, or account 144, Retirement Work in Progress, as applicable. The cost of completed projects shall be promptly transferred from those accounts to the accounts to which chargeable. Upon coming into service, completed portions involving additions to accounts shall be transferred to the appropriate account although other portions of the work covered by the same work order are not yet completed and the work order has not been closed. Credits for
such transfers shall be made in separate column.

A: 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 which satisfies the commission that the system which it has in use for recording changes in steam 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 103, Construction Work in Progress, or account 144, Retirement Work in Progress, as applicable.

B: The work order system is required to record changes in steam plant used wholly or partly in steam 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.

463.13 Transfers of property. (a) When steam plant consisting of one or more retirement units is transferred from one account for steam plant to another, from one utility department to another, such as from steam to electric, from one cost area to another, between accounts 101, Steam Plant in Service, 102, Steam Plant Leased to Others, 104, Steam Plant Held for Future Use, or between corresponding accounts for common utility plant, the transfer shall be recorded by transferring the book cost thereof from one account, department, or cost area to the other. In the case of all transfers between accounts 101, 102 and 104, and corresponding accounts for common utility plant and from one utility department to another, and in case of transfers of substantial amounts in any year from one primary account for steam or common plant to another, or from one accounting division to another, any related amounts carried in the depreciation reserves shall, not later than the end of the year, be transferred in accordance with the segregation of such reserves. When property (except customers' meters) in connection with which installation costs have been incurred is physically transferred, it shall be accounted for as provided in steam plant instruction section 463.11.

(b) When property is transferred from the steam plant accounts to account 110, Other Physical Property, the transfer shall be accomplished by crediting the steam plant accounts and charging the depreciation reserve with the book cost of the item transferred; the depreciation reserve shall then be credited, as the estimated salvage, and account 110, Other Physical Property, concurrently charged with the market value of the property transferred. If the property is sold within a relatively short time, a debit or credit shall be made to the depreciation reserve to adjust the estimated salvage to the amount actually realized.

Note: Account 110 may be charged with the cost new (instead of the market value) and account 253.3, Reserve for Depreciation and Amortization of Other Property, credited with the difference between such cost and the market value.

463.14 Common utility plant. (a) If the utility is engaged in more than one utility service, such as steam and electric or gas, and any of its utility plant is used in common for several utility services or for other purposes to such an extent and in such manner that it is
impracticable to segregate it by utility services currently in the accounts, or if general equipment is of such a nature that even though it is used exclusively for one class of utility service or is associated with one process or function within a department, it is likely to be used simultaneously by more than one department or is subject to transfer between departments, such property may be designated and classified as "Common Utility Plant". (See accounts 109.1 to 109.6 for common utility plant.)

(b) Utility plant designated as common utility plant shall be classified according to the detailed utility plant accounts appropriate for the property. Provisions in this system of accounts applicable to steam plant accounts shall extend also to the accounts for common utility plant.

(c) The utility shall be prepared to show at any time and to report to the commission annually, or more frequently if required, and by utility plant accounts (301 to 390), the following: (1) the book cost of common utility plant, (2) the allocation of such cost to the respective departments using the common utility plant, and (3) the basis of the allocation.

(d) The expenses of operation, maintenance, depreciation and taxes of common utility plant shall be recorded in the accounts prescribed herein, but designated as common, and the allocation thereof to the departments using the common utility plant shall be supported in the same manner as the allocation of the cost of such property.

PART 464
INSTRUCTIONS--EARNED SURPLUS ACCOUNT
(Statutory authority: Public Service Law, ð 80)

Sec.
464.1 Purpose of earned surplus account

Section 464.1 Purpose of earned surplus account. The earned surplus account is the collective title for a group of accounts which form the connecting link between the income account and the balance sheet. The several accounts thereof (400 to 414) are designed to show the changes in earned surplus or deficit during each calendar year resulting from (a) the operations and other transactions during the period as reflected in the income accounts, (b) appropriations or other reservations of earned surplus for specific purposes, (c) accounting adjustments not properly attributable to the period, (d) miscellaneous gains and losses not accounted for elsewhere, and (e) appropriations for dividends.

PART 465
INSTRUCTIONS--INCOME ACCOUNTS
(Statutory authority: Public Service Law, ð 80)

Sec.
465.1 Purpose of income accounts
465.2 Records for other income
465.3 Income from sinking and other funds
465.4 Rents includible in income accounts

Section 465.1 Purpose of income accounts. (a) The income accounts (501 to 540) are designed to show for each month and each calendar year the operating revenues and expenses, the other income, the income
deductions, the net income, the miscellaneous reservations of net income and the amount of income or loss remaining for transfer to earned surplus.

(b) Accounts 501 to 508 are designed to show the income from steam operations. Account 509 is designed to show the income from other utility operations which are subject to the jurisdiction of the commission. The utility shall keep the accounts relating thereto in accordance with the effective systems of accounts for the several classes of operations.

465.2 Records for other income. The records supporting the other income shall be so kept that the utility can furnish detailed statements of the revenues from each source and the expenses and other deductions related to such revenues.

465.3 Income from sinking and other funds. (a) Interest and other revenues derived from funds carried in account 113, sinking funds and account 114, miscellaneous special funds, shall be credited to account 525, Revenues From Sinking and Other Funds.

(b) When the income is required by a mortgage or other provisions to be held in the fund from which the income arises, an amount equal to the income shall be added to the fund to which it is applicable.

(c) When income derived from sinking funds and other special funds is required to be retained in the fund and the fund is represented by a reserve, the amount of such income accretions to the fund shall be credited to the appropriate reserve account and charged to account 540, Miscellaneous Reservations of Net Income, or account 413, Miscellaneous Reservations of Surplus, as appropriate.

465.4 Rents includible in income accounts. (a) Rents which the utility receives from others for steam operating property the investment in which is properly includible in account 102, Steam Plant Leased to Others, shall be recorded in account 508, Income from Steam Plant Leased to Others. Rentals from steam property owned by the utility and properly includible in account 101, Steam Plant in Service, shall be credited to account 610, Rent from Steam Property.

(b) All expenses, including the provision for depreciation, if any, applicable to property the income from which is included in account 508, Income from Steam Plant Leased to Others, shall be charged to that account.

PART 466
INSTRUCTIONS--OPERATING REVENUE ACCOUNTS
(Statutory authority: Public Service Law, § 80)

Sec.
466.1 Purpose of operating revenue accounts
466.2 Basis of credits to operating revenue accounts
466.3 Commissions on steam sales
466.4 Steam supplied without direct charge
466.5 Steam used by utility
466.6 Supporting records

Section 466.1 Purpose of operating revenue accounts. The operating revenue accounts (601 to 615) are designed to show the amounts of money
which the utility becomes entitled to receive from furnishing steam utility service and from service incidental thereto, including amounts for services rendered but not yet billed when the utility exercises its option and records on its books such accrued steam revenue. (See account 130, Accrued Utility Revenues.)

466.2 Basis of credits to operating revenue accounts. Credits to the operating revenue accounts shall be made on the basis of the net tariff rates. Discounts forfeited for delayed payments, shall be credited to account 612, Customers' Forfeited Discounts. Corrections of overcharges and overcollections theretofore credited, authorized abatements and allowances, and other corrections shall be charged to the revenue accounts to which they relate.

466.3 Commissions on steam sales. If the utility distributes all or a part of its steam through an agent but the sales are made to customers under rate schedules filed by the utility, then the utility shall credit its revenue accounts with the full amount of sales to customers. The commission paid to the agent shall be charged to account 804, Commissions Paid under Agency Sales Contracts, and any distribution expenses charged by the agent shall be debited to the appropriate expense accounts. Agents shall credit the amount of commissions earned to operating revenue account 615, Miscellaneous Steam Revenues.

466.4 Steam supplied without direct charge. Steam supplied to municipalities, or to other governmental units, without charge, in accordance with franchise and similar requirements, shall be charged to account 805, Franchise Requirements, and credited concurrently to account 806, Duplicate Miscellaneous Charges--Credit.

466.5 Steam used by utility.

(a) If the utility desires to charge the appropriate accounts in any of its steam operations with the cost of steam used from its own supply, the credit therefor shall not be made to operating revenue accounts, but to account 806, Duplicate Miscellaneous Charges--Credit.

(b) Steam supplied by the utility from its own supply to other departments shall be accounted for in the following manner: If the steam is supplied under a definite arrangement whereby the actual costs are allocated between or among the departments using the steam, the credit in the accounts of the steam department shall be made to account 712, Steam Transferred--Credit, except that the amount of any return or interest, and the amount of depreciation and taxes charged against the other departments shall be credited to account 611, Interdepartmental Rents. If the charges are at tariff or other specified rates for the steam supplied, then the entire amount charged shall be credited to account 607, Interdepartmental Sales.

466.6 Supporting records. Each utility shall so keep the records supporting the entries to each steam operating revenue account that it can furnish, (a) the name of each customer, (b) the quantity of steam furnished to each customer, (c) the amount charged for steam furnished each customer and (d) the service classification under which the charge is made. Each utility shall also be prepared to report upon request, within a reasonable time, for each month or other billing period and for
each year, the quantity of steam sold and the charges therefor, by
service classifications.

PART 467

INSTRUCTIONS--OPERATION AND MAINTENANCE ACCOUNTS
(Statutory authority: Public Service Law, ñ 80)

Sec.
467.1 Purpose of operation and maintenance accounts
467.2 Maintenance, cost of
467.3 Salvage and insurance
467.4 Supervision and engineering
467.5 Operating rents
467.6 Joint facility rents and expenses
467.7 Records for each plant

Section 467.1 Purpose of operation and maintenance accounts. The
operation and maintenance accounts (701 to 809) are designed to show in
detail the cost (except depreciation, certain property losses, and
taxes) of furnishing steam utility service. (See general instructions ññ
461.6 and 461.7.)

Section 467.2 Maintenance, cost of. (a) The cost of maintenance chargeable to
the various operating expense accounts and to clearing accounts includes
labor, materials, overhead and other expenses incurred in maintenance
work, such as:
(1) Associated costs of local plant supervision.
(2) Cost of transportation, shop and stores expense, and use of tools
and implements.
(3) Cutting and replacing pavement, pavement base, and sidewalks, in
connection with repairs.
(4) Inspecting and testing after repairs have been made.
(5) Inspecting, testing (except routine tests of steam meters), and
reporting on the condition of steam plant in service specifically to
determine the need for repairs, minor replacements, rearrangements and
changes.
(6) Replacing minor items of plant (see steam plant instruction ñ
463.11, subd. (c)).
(7) Rearranging and changing the location of property not retired.
(8) Repairing materials for reuse.
(9) Restoring the condition of property damaged by storms, breakage,
floods, fire, accident, or other casualties (see subd. (b) below).
(10) Restoring the condition of property damaged by wear and tear,
decay, or action of the elements (see subd. (b) below).
(11) Routine work (see also subd. (b) below) to prevent trouble.
(12) Testing for, locating, and clearing trouble, including stopping
leaks.
(13) Training employees for maintenance work.
(b) The cost of maintenance does not include the cost of replacing
items of property designated as retirement units. (See steam plant
instruction ñ 463.11.)
(c) Materials recovered in connection with the maintenance of property
shall be credited to the same account to which the maintenance cost was
charged.
(d) If the book cost of any property is carried in account 106.2,
Steam Plant Purchased, the cost of maintaining such property shall be charged to the accounts for maintenance of property of the same class and use, the book cost of which is carried in other steam plant in service accounts. Maintenance of property leased from others shall be treated as provided in operation and maintenance instruction § 467.5.

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

SO DOC 16B-467.3

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

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

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

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

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

SO DOC 16B-467.4

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

SO DOC 16B-467.5

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

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

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

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

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

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

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

(h) Property operated jointly by the utility and another or others under a definite arrangement whereby the actual costs are shared between or among the parties shall be considered for the purpose of this system of accounts as a joint facility, and the accounting in connection therewith shall be handled as provided in operation and maintenance instruction section 467.6, following.

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

SOC 16B-467.6
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467.6 Joint facility rents and expenses. (a) A joint facility for the purpose of this system of accounts is defined as any property occupied or used jointly by the utility and another or others under a definite arrangement whereby the actual costs are shared between or among the parties. Property of the utility occupied or used under a similar definite arrangement between the steam department and a coordinate department or departments shall likewise be considered as a joint facility. (See operating revenue instruction § 466.5.)

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

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

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

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

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

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

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

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

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

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ASSETS AND OTHER DEBITS

UTILITY PLANT

101. Steam Plant in Service
A. This account shall include the original cost of steam plant owned and used and useful by the utility in the service of the public in its steam operations, including such property owned by the utility but held by nominees.
B. The cost of additions to and betterments of property leased from others shall also be recorded in this account. (See steam plant instruction 6 463.6.)
Note A: The property included in this account shall be classified according to the detailed accounts (301 to 390) for steam plant.
Note B: The account for steam plant in service may include the entire original cost of units of property which are partially used and useful in utility operations when the portion which is so used and useful is not separable from the portion which is not used and useful.

102. Steam Plant Leased to Others
A. This account shall include the original cost of steam plant owned by the utility, but leased to others as operating units or systems, where the lessee has exclusive possession.
B. The property included in this account shall be classified according to the detailed accounts (301 to 390) for steam plant, and this account shall be maintained in such detail as though the property were used by the utility in its steam operations.

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

104. Steam Plant Held for Future Use
A. This account shall include the original cost of steam plant owned and held for use in steam service under a definite plan for such use. There shall be included herein property acquired but never used by the utility in steam service, but held for such service in the future under a definite plan, and property previously used by the utility in steam service, but retired from such service and held pending its reuse in the future, under a definite plan, in steam service.
B. The property included in this account shall be classified according to the detailed accounts (301 to 390) for steam plant, and the account shall be maintained in such manner and in such detail as though the property were in service.

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

105. Steam Plant Acquisition Adjustments
A. With respect to steam plant constructed or otherwise acquired prior to January 1, 1938, and still in service, leased to others, and held for future use at that date, this account shall include the difference between the book cost thereof as of December 31, 1937, and the original cost thereof when such difference is not clearly includable in any other account, and unless otherwise ordered by the commission.
B. With respect to steam plant acquired after December 31, 1937, as an operating unit or system by purchase, merger, consolidation, liquidation or otherwise, this account shall include (unless otherwise ordered by
the commission) the difference between (a) the cost to the accounting utility of such steam plant and (b) the original cost thereof less credits representing contributions (see paragraph B of account 265, Contributions in Aid of Construction, and steam plant instruction § 463.2, subd. (e)), less the amount or amounts credited to the depreciation reserves of the accounting utility at the time of acquisition with respect to such steam plant and less the amount in account 265, Contributions in Aid of Construction. (See steam plant instructions §§ 463.1, 463.2 and 463.3.)

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

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

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

106. Unclassified Steam Plant

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

106.1 Steam Plant in Process of Reclassification

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

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

Note: It is intended that this shall be only a temporary account.

106.2 Steam Plant Purchased

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

106.3 Steam Plant Sold

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

108. Other Utility Plant

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

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

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

109.1 Common Utility Plant in Service
This account shall include the original cost of utility plant in service which is used in common for steam operations and other operations. (See steam plant instruction ð 463.14.)

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

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

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

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

109.3 Common Utility Plant Construction Work in Progress
This account shall include the total of the balances of work orders for common utility plant in process of construction but not ready for service at the date of the balance sheet. (See steam plant instruction ð 463.14.)

109.4 Common Utility Plant Held for Future Use
This account shall include the original cost of common utility plant owned and held for use in steam operations and other operations under a definite plan for such use. (See steam plant instruction ð 463.14.)

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

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

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

INVESTMENT AND FUND ACCOUNTS

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

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

111. Investments in Associated Companies
There shall be reported by this caption the amounts included in accounts 111.1 and 111.2.
111.1 Investments in Securities of Associated Companies
A. This account shall include the cost (except as otherwise provided) of the utility's investment in securities issued or assumed by associated companies and held as permanent or long-term investments.
B. The account shall be maintained in such manner as to show each class of investment in each associated company.
Note: All securities of associated companies shall upon acquisition be charged to this account, but such securities if acquired for or subsequently held in special deposits or in special funds shall be transferred to the appropriate deposit, fund, or other investment account. (See general instruction, § 461.8.) A complete record of securities pledged shall be maintained.

111.2 Advances to Associated Companies
A. This account shall include the amount of investment advances to associated companies and interest accrued on such advances when such interest is not subject to current settlement. (See account 126, Receivables from Associated Companies.)
B. The account shall be maintained in such manner as to show the advances to each associated company for each type of item included.
Note A: Balances in open accounts with associated companies which are subject to current settlement shall be excluded from this account and included in account 126.2, Accounts Receivable from Associated Companies.
Note B: Advances made to associated companies without expectation of reimbursement shall immediately be credited to this account and charged to account 538, Miscellaneous Income Deductions.

112. Other investments
A. This account shall include the cost (except as otherwise provided) of the utility's investment in securities issued or assumed by non-associated companies, investment advances to such companies, and any investments not accounted for elsewhere. Securities held as temporary cash investments shall not be included in this account, but in account 123, Temporary Cash Investments.
B. The records shall be maintained in such manner as to show the amount of each investment and the investment advances to each person.
Note: Securities owned and pledged shall be included in this account, but securities held in special deposits or in special funds shall be included in the appropriate deposit or fund account. A complete record of securities pledged shall be maintained.

113. Sinking Funds
A. This account shall include the assets held in sinking funds, such as:
   (1) Cash.
   (2) Securities issued by others or other assets, at cost except as otherwise provided herein.
   (3) Live securities, issued or assumed by the utility, at cost.
   (4) Amounts deposited with trustees on account of mortgaged property sold, when held for the redemption of securities.
   (5) Securities of the utility issued to trustees without intervening sale, at face value.
B. A separate account, with appropriate title, shall be kept for each sinking fund.
Note: Nothing herein contained shall be construed as preventing a utility from transferring applicable sinking or other funds to account
121.3, miscellaneous special deposits, for the purpose of paying matured sinking fund obligations, or obligations called for redemption but not presented, or the interest thereon.

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

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

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

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

CURRENT AND ACCRUED ASSETS

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

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

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

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

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

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

Note B: Deposits for more than one year not offset by current liabilities shall not be charged to this account but to account 112, Other Investments.
122. Working Funds
This account shall include cash advanced to officers, agents, employees, and others as petty cash or working funds.

123. Temporary Cash Investments
A. This account shall include the cost (except as otherwise provided) of investments, such as demand and time loans, bankers' acceptances, United States Treasury certificates, marketable securities, and other similar investments, acquired for the purpose of temporarily investing cash.
B. This account shall so be maintained as to show:
   Temporary cash investments--associated companies.
   Temporary cash investments--other.
Note: If any of the temporary investments are pledged, proper record of such pledged investments shall be kept.

124. Notes Receivable
This account shall include the cost (except as otherwise provided) of all collectible obligations in the form of notes receivable and similar evidences (except interest coupons) of money due on demand or within one year from the date of issue, which are not includible in other accounts.
   Note A: This account shall not include notes receivable from associated companies. (See account 126.1, notes receivable from associated companies.)
   Note B: The amount of notes receivable discounted, sold or transferred, unless transferred without recourse, shall not be credited to this account but to account 221, notes receivable discounted.

125. Accounts 125.1 and 125.2.
There shall be reported by this caption the balances in accounts 125.1 and 125.2.
125.1. Accounts Receivable--Customers
A. This account shall include amounts due from customers for utility services, including merchandising, jobbing and contract work. This account shall not include amounts due from associated companies.

125.2. Other Accounts Receivable
A. This account shall include amounts owing the utility upon accounts with concerns or individuals, other than associated companies and customers for utility services and for merchandising, jobbing and contract work.
B. This account shall be maintained in such manner as to show separately the amounts due from officers and employees, but the account shall not include amounts advanced to officers or others as working funds. (See account 122, Working Funds.)

126. Receivables from Associated Companies
A. This account shall include the debit balances subject to current settlement in open accounts with associated companies, and notes and drafts upon which associated companies are liable, and which mature and are expected to be paid in full not later than one year from date of issuance, together with interest thereon. Items which do not bear a specified due date but which have been carried for more than ninety days and items which are not paid within 90 days from due date shall be transferred to account 111, Investments in Associated Companies.
B. This account shall be subdivided as follows:
   126.1 Notes Receivable from Associated Companies.
   126.2 Accounts Receivable from Associated Companies.
   Note A: On the balance sheet, accounts receivable from an associated
company may be set-off against accounts payable to the same company.

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

127. Subscriptions to Capital Stock
A. This account shall include the balance due from subscribers upon legally enforceable subscriptions to capital stock of the utility.
B. The amount of each subscription shall be charged to this account at the time the subscription is accepted, and concurrently there shall be credited to account 204, Capital Stock Subscribed, the par value of stock with par value subscribed for. The difference, if any, between the above amounts shall be debited or credited, as appropriate, to account 150, Discount on Capital Stock, or account 203, Premiums and Assessments on Capital Stock. For non-par stock the entire subscription price shall be credited to account 204, Capital Stock Subscribed.

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

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

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

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

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

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

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

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

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

131. Materials and Supplies
A. This account shall include the cost of unissued small tools and unapplied materials and supplies (including fuel). The cost shall include, when practicable, the purchase price at the point of free delivery, plus customs duties, excise and other taxes on purchases, insurance, costs of inspection, special tests prior to acceptance, loading and unloading, transportation, and other directly assignable charges.
B. Inward transportation charges for materials as far as practicable shall be included as a part of the cost of the particular materials to which they relate. When not so included, they shall be charged to account 902, Stores Expenses-Clearing.

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

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

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

2. Reusable materials consisting of relatively small items, the identity of which (from the date of original installation to the final abandonment or sale thereof) cannot be ascertained without undue refinement in accounting shall be included in this account 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.

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

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

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

Note C: See also general instruction 461.12.

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

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

133. Other Current and Accrued Assets
   A. This account shall include current and accrued assets of the general nature defined in account 120 to 132, inclusive, but not properly includible in any of those accounts.
   B. The records supporting the entries to this account shall be so kept as to show the nature of each class of assets included herein.

DEFERRED DEBITS

140. Unamortized Debt Discount and Expense
   This caption shall include the total of the debit balances, of those accounts having debit balances, of the discount, expense, and premium accounts, for all classes of long-term debt. (See balance sheet instruction 6 462.6.)

141. Extraordinary Property Losses
   A. This account shall include, when so authorized or directed by the commission, losses in service value of property abandoned or otherwise retired from service which are not provided for by the depreciation reserves and which could not reasonably have been foreseen and provided for. It shall include also, when so authorized or directed by the commission, extraordinary losses, such as unforeseen damages to property which could not reasonably have been anticipated and which are not covered by reserves or by insurance.
   B. The entire loss in service value of utility plant retired shall be charged to the depreciation reserves. If all, or a portion, of the loss in service value is to be included in this account, the depreciation reserve shall then be credited and this account charged with the amount properly chargeable hereto.
   C. This account shall be so maintained that convenient itemization may be made of all amounts included herein.
   D. Before making any entries in this account, the utility shall obtain the approval of the commission. Application for permission to use the account shall be accompanied by a statement or statements giving a complete explanation of the nature and cause of the property loss together with a description of the property, its location, the original cost thereof, classified in accordance with the prescribed steam plant accounts, the cost to the utility, the amount at which the property is retired or to be retired, the amount, if any, chargeable to the depreciation reserves (showing cost thus chargeable, salvage, and cost of removal) the amount it is proposed to include in this account, the period over which and the accounts to which it is proposed to write off the loss, and a copy of any statement or statements made or planned to be made to a trustee under a mortgage or other indenture with respect to the property.

142. Preliminary Survey and Investigation Charges
   A. This account shall be charged with all expenditures for preliminary surveys, plans, investigations, etc., made for the purpose of determining the feasibility of projects under contemplation. If construction results, this account shall be credited and the appropriate property account charged. If the work is abandoned, the charge shall be to account 538, Miscellaneous Income Deductions, or account 414,
Miscellaneous Debits to Surplus, unless otherwise authorized or directed by the commission. (See also general instruction 6461.15.)

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

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

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

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

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

146. Other Deferred Debits
A. This account shall include all debits, not elsewhere provided for, the proper final disposition of which is uncertain, and unusual or extraordinary expenses, not included in other accounts, which are in process of amortization. (See also general instruction 6461.14.)

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

CAPITAL STOCK DISCOUNT AND EXPENSE

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

B. The accounts hereunder shall be kept in such manner as to show separately the discount on each class and series of capital stocks. (See balance sheet instruction 6462.5.)

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

151. Capital Stock Expense
A. There shall be reported by this caption all balances in the accounts for expenses incurred in connection with the authorization, issuance and sale of capital stocks.
B. The accounts hereunder shall be kept in such manner as to show separately the expense on each class and series of capital stocks. (See balance sheet instruction 6 462.5.)
C. Amortization credits to this account shall be debited to account 414, Miscellaneous Debits to Surplus.

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

REACQUIRED SECURITIES

152. Reacquired Capital Stock
A. This account shall include the par value of capital stock actually issued by the utility and reacquired by it and not retired or canceled, except, however, stock which is held by trustees in sinking or other funds. Stock without par value shall be included in this account at the proportionate amount at which the particular class and series of stock is included in account 200, Common Capital Stock, or account 201, Preferred Capital Stock.
B. The accounting for amounts paid for capital stock reacquired shall be as provided in paragraph e of balance sheet instruction section 462.5.
C. When reacquired capital stock is resold by the utility (see section 82 of Public Service Law) the par value (or amount included in this account for stock without par value) of the stock resold shall be credited to this account.
D. This account shall be maintained or supported in such manner as to show the amount herein applicable to each class and series of stock.

153. Reacquired Long-Term Debt
A. This account shall include the par or face value of bonds or other long-term debt actually issued or assumed by the utility and reacquired by it and held under conditions which do not permit the utility to treat such securities as paid, retired, or canceled, but which permit the resale of the securities. (See section 82 of Public Service Law.) It shall not include securities which are held by trustees in sinking or other funds.
B. When the securities are reacquired, the difference between the par or face value and the amount paid upon reacquisition, and any unamortized discount, expense or premium, shall be accounted for in accordance with balance sheet instruction section 462.6.
C. This account shall be maintained or supported in such manner as to show the amount herein applicable to each class and series of long-term debt.

LIABILITIES AND OTHER CREDITS
CAPITAL STOCK

200. Common Capital Stock
201. Preferred Capital Stock
A. These accounts shall include the par value of capital stock with par value and the cash value of the consideration received for non-par stock, of each class of capital stock actually issued and actually outstanding, and also the capital stock in account 152, Reacquired Capital Stock.
B. When the actual cash value of the consideration received is more or less than the par value of any stock having par value, the difference shall be credited or debited, as the case may be, to the discount or premium account for the particular class and series.
C. When capital stock is retired and canceled, these accounts shall be
charged with the amount at which such stock is carried herein.

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

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

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

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

202. Stock Liability for Conversion

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

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

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

203. Premiums and Assessments on Capital Stock

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

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

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

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

204. Capital Stock Subscribed

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

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

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

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

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

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

LONG-TERM DEBT

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

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

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

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

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

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

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

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

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

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

ADVANCES FROM ASSOCIATED COMPANIES

215. Advances From Associated Companies

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

B. This account shall be subdivided as follows:

215.1 Advances on Notes.
215.2 Advances on Open Accounts.

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

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

CURRENT AND ACCRUED LIABILITIES

220. Notes Payable

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

221. Notes Receivable Discounted

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

222. Accounts Payable

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

223. Payables to Associated Companies

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

223.1 Notes Payable to Associated Companies.
223.2 Accounts Payable to Associated Companies.

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

Note B: Interest on debt to associated companies which is not subject to current settlement shall be included in the account wherein is carried the debt on which it accrues; if subject to current settlement it shall be included in subdivision 223.2 of this account.
224. Dividends Declared
This account shall include the amount of dividends which have been declared but not paid. Dividends shall be credited to this account when they become a liability.

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

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

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

228. Taxes Accrued
A. This account shall be credited during each accounting period with the amount of taxes accrued during the period, corresponding debits being made to the appropriate accounts for tax charges. Such credits may be based upon estimates, but from time to time during the year as the facts become known, the amount of the periodic credits shall be adjusted so as to include as nearly as can be determined in each year the taxes applicable thereto. Any amount representing a prepayment of taxes applicable to the period subsequent to the date of the balance sheet shall be shown under account 132, Prepayments.
B. The records supporting the entries to this account shall be so kept that the utility can furnish information as to the amount, by classes, of taxes accrued, the basis for each tax accrual and the accounts to which charged, and the amount, by classes, of taxes paid.

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

229.1 Interest Accrued on Long-term Debt
This account shall include the amount of interest accrued on the long-term debt of the utility. This account shall not include any interest which is added to the principal of the debt on which incurred.

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

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

230. Other Current and Accrued Liabilities
This account shall include the current and accrued liabilities not provided for elsewhere.

DEFERRED CREDITS

240. Unamortized Premium on Debt
This caption shall include the total of the credit balances of the discount, expense, and premium accounts, for all classes of long-term debt, including receivers' certificates. (See balance sheet instruction
241. Customers' Advances for Construction

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

B. Separate subdivisions shall be kept for each utility service.

242. Other Deferred Credits

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

RESERVES

250. Reserve for Depreciation of Steam Plant.

A. This account shall be credited with the following:

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

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

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

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

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

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

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

E. This account shall be subdivided as follows:

250.1 Reserve for Depreciation of Steam Plant in Service.

250.2 Reserve for Depreciation of Steam Plant Leased to Others.

250.3 Reserve for Depreciation of Steam Plant Held for Future Use.

250.4 Reserve for Depreciation of Unclassified Steam Plant.

Note: The utility is restricted in its use of the reserve to the purposes set forth above. It shall not divert any portion of the reserve to surplus or make any other use thereof without the approval of the commission.
252. Reserve for Amortization of Steam Plant Acquisition Adjustments
   This account shall be credited or debited with amounts which are charged or credited to account 505, Amortization of Steam Plant Acquisition Adjustments, to account 537, Miscellaneous Amortization, or to surplus, for the purpose of providing for the extinguishment of amounts in account 105, Steam Plant Acquisition Adjustments.

253.1 Reserve for Depreciation and Amortization of Other Utility Plant
   This account shall include the depreciation and amortization reserves applicable to property in account 108, Other Utility Plant.
   Note: In the case of utility services for which systems of accounts are prescribed by this commission, such as electric, gas, etc., the appropriate accounts in such systems shall be used instead of this account.

253.2 Reserve for Depreciation and Amortization of Common Utility Plant
   This account shall include the depreciation and amortization reserves applicable to property carried in accounts 109.1, 109.2, 109.4, 109.5, and 109.6, subdivided so as to show separately the amounts applicable to each primary plant account. (See also general instruction ñ 461.12.)

253.3 Reserve for Depreciation and Amortization of Other Property
   A. This account shall include the depreciation and amortization reserves applicable to property not otherwise specifically provided for, including that carried in account 110, Other Physical Property.
   B. This account shall be maintained so as to show the amount of each separate reserve and the nature and amounts of the debits and credits thereto.

254. Reserve for Uncollectible Accounts
   A. This account shall be credited each month with amounts reserved for losses on accounts receivable which may become uncollectible, and also with collections on accounts previously charged hereto. Concurrent charges shall be made to account 783, Uncollectible Accounts, for amounts applicable to steam operations, and to corresponding accounts for other operations.
   B. This account shall be subdivided as follows:
      254.1 Utility Customers.
      254.3 Associated Companies.
      254.4 Officers and Employees.
      254.5 Other.
   Note: Accretions to this reserve shall not be made in excess of a reasonable provision against losses of the character provided for.

255. Insurance Reserve
   A. This account shall include amounts reserved by the utility for self-insurance against losses through accident, fire, flood, or other hazards to its own property or property leased from others. The amounts charged to account 798, Insurance, or other appropriate accounts to cover such risks shall be credited to this account. A schedule of risks covered by this reserve shall be maintained, giving a description of the property involved, the character of the risks covered and the rates used.
   B. Charges shall be made to this account for losses covered by self-insurance.
   Note A: Accretions to this reserve shall not be made in excess of a reasonable provision against losses of the character provided for.
   Note B: All repairs shall be charged in the first instance to the
account appropriate for the repair, and all retirements shall be charged to depreciation reserves, to which accounts shall be credited amounts chargeable to this account.

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

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

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

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

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

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

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

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

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

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

CONTRIBUTIONS IN AID OF CONSTRUCTION

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

B. Amounts in this account at December 31, 1944 which can be identified with steam plant accounts or can be distributed to steam plant accounts under a plan approved by the commission shall be transferred to the appropriate accounts; otherwise the amounts remain in this account. Except as provided herein and in steam plant instruction, section 463.11 subdivision (f) in the case of steam plant sold, amounts in this account shall not be transferred to any other account without the approval of the commission.
C. The records supporting the entries to this account shall be so kept that the utility can furnish information as to the purpose of each contribution, the conditions, if any, upon which it was made and the amount of contributions from (a) States, (b) municipalities, (c) customers and (d) others.

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

SURPLUS

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

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

Note: This account includes items often termed capital surplus.

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

LIST OF PRIMARY STEAM PLANT ACCOUNTS

I. INTANGIBLE PLANT
301. Organization
302. Franchises and Consents
303. Miscellaneous Intangible Plant

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

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

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

I. INTANGIBLE PLANT

301. Organization

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

ITEMS

1. Cost of obtaining certificates authorizing an enterprise to engage in the public utility business.
2. Fees and expenses for incorporation.
3. Fees and expenses for mergers or consolidations.
4. Office expenses incident to organizing the utility.
5. Stock and minute books and corporate seal.

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

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

302. Franchises and Consents

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

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

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

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

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

303. Miscellaneous Intangible Plant

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

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

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

II. PRODUCTION PLANT

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

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

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

ITEMS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(16) Ventilating equipment.

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

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

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

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

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

315. Accessory Power Equipment

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

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

ITEMS

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

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

ITEMS
(1) Compressed air and vacuum cleaning systems, including tanks, compressors, exhausters, air filters, piping, etc.
(2) Cranes and hoisting equipment, including cranes, cars, crane rails, monorails, hoists, etc., with electric and mechanical connections.
(3) Fire extinguishing equipment for general station use.
(4) Foundations and settings, specially constructed for and not expected to outlast the apparatus for which provided.
(5) Locomotive cranes not includible elsewhere.
(6) Locomotives not includible elsewhere.
(7) Marine equipment, including boats, barges, etc.
(8) Miscellaneous belts, pulleys, countershafts, etc.
(9) Miscellaneous equipment, including atmospheric and weather indicating devices, intra-site communication equipment, laboratory equipment, signal systems, telephones, emergency whistles and sirens, fire alarms, and other similar equipment.
(10) Railway cars not includible elsewhere.
(11) Refrigerating systems, including compressors, pumps, cooling coils, etc.
(12) Station maintenance equipment, including lathes, shapers, planers, drill presses, hydraulic presses, grinders, etc., with motors, shafting, hangers, pulleys, etc.
(13) Ventilating equipment, including items wholly identified with apparatus listed herein.

Note A: When an item of equipment listed herein is used wholly in connection with equipment included in another account its cost shall be included in such other account.
Note B: Include office furniture and equipment, desks, chairs, etc., in account 372, Office Furniture and Equipment.

III. DISTRIBUTION PLANT
350. Land and Land Rights
This account shall include the cost of land and land rights used in connection with distribution operations. (See steam plant instruction 463.8.)

351. Structures and improvements
This account shall include the cost in place of structures and
improvements used in connection with distribution operations. (See steam plant instruction 6 463.9.)

353. Mains
   A. This account shall include the cost installed of mains and housing used in the distribution of steam and also of any regulating and measuring equipment located on distribution mains.
   B. The record supporting this account shall be so kept as to show separately the cost of mains of different sizes and types and of each tunnel, bridge, or river crossing.

ITEMS

   (1) Anchor fittings.
   (2) Conditioning equipment-desuperheaters, separators, etc. (not located at source of supply).
   (3) Cooling coils on distribution mains.
   (4) Drains.
   (5) Eductors.
   (6) Ejectors.
   (7) Excavation, including shoring, bracing, bridging, pumping, backfill, and disposal of excess excavated material.
   (8) Expansion joints.
   (9) Fillers.
   (10) Foundations and vaults for items listed herein.
   (11) Governors or regulators for pressure, etc., in mains.
   (12) Housing and insulation.
   (13) Manholes.
   (14) Meters located on mains.
   (15) Moisture and temperature indicators and other recording devices on distribution mains.
   (16) Municipal inspection.
   (17) Pavement disturbed, including cutting and replacing pavement, pavement base, and sidewalks.
   (18) Permits.
   (19) Pipe, fittings and valves.
   (20) Pipe laying.
   (21) Protection of street openings.
   (22) Pumps, electric and steam.
   (23) Removal and relocation of subsurface obstructions.
   (24) Rollers and saddles.
   (25) Sewer connections.
   (26) Sumps.
   (27) Traps.
   (28) Valves and valve pits.
   (29) Variators.
   (30) Ventilating chambers and vents.

Note A: The cost of replacing pavement, pavement base, and sidewalks shall be included in a separate subdivision of this account. (See steam plant instruction 6 463.11, subd. (i).)

Note B: When steam mains and associated devices are raised or lowered or other change in their location is made, the cost of the work shall be charged to the maintenance account appropriate for the class of property which is moved. Incidental replacement of retirement units in connection with a change in location shall be accounted for as additions and retirements.
   A. This account shall include the cost installed of service pipes,
insulation, housing and other equipment, from the point at which the
main is tapped to and including the first fitting or valve inside of the
building wall, when the utility actually incurs such cost for which it
has not been reimbursed.

* No B.

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

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

ITEMS

(1) Curb valves and curb boxes.
(2) Excavation, including shoring, bracing, bridging, pumping,
backfill, and disposal of excess excavated material.
(3) Municipal inspection.
(4) Pavement disturbed, including cutting and replacing pavement,
pavement base, and sidewalks.
(5) Permits.
(6) Pipe and fittings, including saddle, tee, etc.
(7) Pipe insulation, housing, etc.
(8) Pipe laying.
(9) Protection of street openings.
(10) Stuffing boxes.
(11) Separators.

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

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

360. Meters

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

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

ITEMS

(1) Meters-flow or condensation.
(2) Recorders.
(3) Registers.
(4) Strainers.
(5) Testing and badging new meter.

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

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

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

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

ITEMS
(1) Automatic outdoor control devices.
(2) Bypasses.
(3) Cooling coils.
(4) Eliminators.
(5) Equalizing arrangements.
(6) Head pressure pipe arrangements.
(7) Meter dummies.
(8) Pre-heaters.
(9) Separators (not installed in connection with services).
(10) Service reducing pressure valves.
(11) Service traps.
(12) Service valves.
(13) Steam service controls.
(14) Thermostatic controls.
(15) Traps (other than service).

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

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

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

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

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

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

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

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

IV. GENERAL PLANT
370. Land and Land Right*
   A. This account shall include the cost of land and land rights used for steam plant purposes, the cost of which is not properly includible in other land and land rights accounts. (See steam plant instruction ð 463.8.)

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

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

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

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

   ITEMS
   (1) Book cases and shelves.
   (2) Desks, chairs, and desk equipment.
   (3) Drafting room equipment.
   (4) Filing, storage, and other cabinets.
   (5) Floor covering.
   (6) Library and library equipment.
   (7) Mechanical office equipment such as accounting machines, typewriters, etc.
   (8) Safes.*

   * So in original. "Safes" should be "a. Safes"

   (8)b. Signs, display and advertising.
   (9) Tables.

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

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

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

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

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

374. Stores Equipment
A. This account shall include the cost installed of equipment used for the receiving, shipping, handling and storage of materials and supplies when not an integral part of the housing structure. (See also note to steam plant instruction 0463.4, subd. (a) (3).)

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

ITEMS

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

375. Shop Equipment
A. This account shall include the cost installed of all equipment specially provided for general shops when such equipment is not an integral part of the housing structure. (See also note to steam plant instruction 0463.4, subd. (a) (3).)

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

ITEMS

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

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

376. Laboratory Equipment
A. This account shall include the cost installed of laboratory equipment used for general laboratory purposes and not specially provided for or includible in other departmental or functional plant accounts. (See also note to steam plant instruction 463.4, subd. (a) (3).) B. If the utility has equipment includible in this account at more than one location, separate records shall be maintained for each location.

ITEMS
(1) Balances and scales.
(2) Barometers.
(3) Calorimeters.
(4) Condensers and supports.
(5) Crushers and grinders.
(6) Electric furnaces.
(7) Gas analysis apparatus.
(8) Gauges and gauge testers.
(9) Glassware, heaters, burettes, etc.
(10) Laboratory hoods, tables, and cabinets.
(11) Manometers.
(12) Piping.
(13) Pyrometers.
(14) Thermometers, indicating and recording.
(15) Weighing tanks.
(16) Other testing, laboratory or research equipment not provided for elsewhere.

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

377. Tools and Work Equipment
This account shall include the cost of tools, implements, and equipment used in construction or repair work exclusive of equipment includible in other equipment accounts. (See also note to steam plant
ITEMS

(1) Air compressors, including driving unit and vehicle.
(2) Boilers.
(4) Concrete mixers and distributors.
(5) Derricks.
(6) Engines.
(7) Forges.
(8) Furnaces.
(9) Hoists.
(10) Ladders.
(11) Lathes.
(12) Motors.
(13) Pile drivers.
(14) Pipe machines.
(14)a. Pneumatic tools.
(15) Power saws.
(16) Pumps.
(17) Riveters.
(17)a. Steam shovels.
(17)b. Surveying and leveling equipment.
(17)c. Tool carts.
(18) Tool racks.
(18)a. Trenching equipment.
(19) Vises.
(20) Work benches, etc.

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

378. Communication Equipment

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

ITEMS

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

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

ITEMS.
(1) Billiard tables, including equipment,
(2) bowling alleys, including equipment,
(3) hospital and infirmary equipment,
(4) kitchen equipment,
(5) miscellaneous recreation facilities and equipment,
(6) radios,
(7) restaurant equipment,
(8) soda fountains,
(9) operators' cottage furnishings,
(10) other miscellaneous equipment.

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

390. Other Tangible Property
A. This account shall include the cost of tangible steam plant not provided for elsewhere.
B. A separate subdivision of this account shall be maintained for each class of property in which the utility has a relatively large investment, and records shall be kept so as to show separately the cost of each major item.

EARNED SURPLUS ACCOUNTS

CREDITS
400. Credit Balance Transferred from Income Account
401. Miscellaneous Credits to Surplus

DEBITS
410. Debit Balance Transferred to Income Accounts
411. Dividend Appropriations--Preferred Stock
412. Dividend Appropriations--Common Stock
413. Miscellaneous Reservations of Surplus
414. Miscellaneous Debits to Surplus

CREDITS
400. Credit Balance Transferred from Income Account
This account shall include the net credit balance transferred from the income account for the year.
401. Miscellaneous Credits to Surplus
A. This account shall include all credits affecting the earned surplus
or deficit not provided for elsewhere. Among the items which shall be credited to this account are:

(1) Credit for amounts previously written off through charges to earned surplus.

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

(3) Profits on reacquirement of the utility's debt securities (See balance sheet instruction ð 462.6.)

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

DEBITS

410. Debit Balance Transferred from Income Account

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

411. Dividend Appropriation--Preferred Stock

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

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

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

412. Dividend Appropriation--Common Stock

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

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

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

413. Miscellaneous Reservations of Surplus

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

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

414. Miscellaneous Debits to Surplus

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

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

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

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

(4) Payments of amounts previously credited to earned surplus.
(5) Losses on reacquirement of utility's debt securities (see balance sheet instruction 8462.6).
(6) Losses which are not properly chargeable to operating expenses or income and for which reserves have not been provided.

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

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

INCOME ACCOUNTS

UTILITY OPERATING INCOME

501. Operating Revenues
502. Operation and Maintenance
503. Depreciation
505. Amortization of Steam Plant Acquisition Adjustments
506. Property Losses Chargeable to Operations
507. Operating Taxes
508. Income from Steam Plant Leased to Others
509. Other Utility Operating Income

OTHER INCOME

521. Income from Non-utility Operations
522. Revenues from Lease of Other Physical Property
524. Dividend Revenues
525. Income from Sinking and Other Funds
526. Miscellaneous Non-operating Revenues
527. Non-operating Revenue Deductions

INCOME DEDUCTIONS

530. Interest on Long-term Debt
531. Amortization of Debt Discount and Expense
533. Amortization of Premium on Debt--Credit
534. Taxes Assumed on Interest
535. Interest on Debt to Associated Companies
536. Other Interest Charges
537. Interest Charged to Construction--Credit
538. Miscellaneous Amortization
539. Miscellaneous Income Deductions
540. Income Taxes

DISPOSITION OF NET INCOME

SALES OF STEAM

601. General Sales
604. Sales to Public Authorities
605. Sales to Other Steam Utilities
607. Interdepartmental Sales
608. Other Sales

OTHER STEAM REVENUES

610. Rent from Steam Property
611. Interdepartmental Rents
612. Customers' Forfeited Discounts
614. Servicing of Customers' Installations
615. Miscellaneous Steam Revenues

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

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

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

505. Amortization of Steam Plant Acquisition Adjustments
A. This account shall be debited or credited, as the case may be, with amounts which the commission shall have determined are includible in operating revenue deductions for the purpose of providing for the extinguishment of the amount in account 105, Steam Plant Acquisition Adjustments, and account 109.5, Common Utility Plant Acquisition Adjustments.
B. Amounts recorded in this account shall be concurrently debited or credited, as the case may be, to account 252, Reserve for Amortization of Steam Plant Acquisition Adjustments, or account 253.2, Reserve for Depreciation and Amortization of Common Utility Plant.

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

507. Operating Taxes
A. This account shall include the amount of Federal, State, county, municipal and other taxes, including payroll taxes (but excluding taxes on net income, excess profits, undivided profits, excess dividends, or capital stock) which are properly chargeable to steam operations and except taxes includible in account 789, Merchandising, Jobbing and Contract Work, and in clearing accounts. (See account 228.)
B. This account shall be charged each month with the amount of taxes which are applicable thereto, and concurrent credits shall be made to account 228, Taxes Accrued, or account 132, Prepayments. When it is necessary to apportion taxes to steam operations, full details as to the method of and facts considered in the apportionment shall be recorded.
C. When it is not possible to determine the exact amount of taxes, the amount shall be estimated and the estimate for the period charged to this account, and adjustments shall be made as the actual tax levies become known.
D. Taxes assumed by the utility on property leased from others for use in steam operations shall be charged to the appropriate rent expense or clearing account.
E. The charges to this account shall be so made or supported as to show the amount to each kind of tax, and the basis upon which each charge is made.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

OTHER INCOME

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

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

522. Revenues from Lease of Other Physical Property
A. This account shall include all rent revenues from land, buildings or other property included in account 110, Other Physical Property.
B. All expenses, such as repairs, depreciation, taxes, uncollectible rents, etc., incurred in connection with the property leased, shall be charged to account 527, Non-operating Revenue Deductions.

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

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

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

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

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

524.1. Interest on Securities Owned
This account shall include interest revenues on investments in securities of other companies.

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

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

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

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

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

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

525. Revenues from Sinking and Other Funds
A. This account shall include all revenues (whether interest or dividends) accrued on cash, securities or other assets held in account 113, Sinking Funds, and account 114, Miscellaneous Special Funds.
B. This account may include for each month the applicable amount requisite to extinguish (during the interval between the date of acquisition and the date of maturity) the difference between the cost to the utility and the par value of debt securities held in sinking or
other funds. Amounts thus credited or charged shall be concurrently included in the accounts in which the securities are carried. (See balance sheet instruction § 462.4.)

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

526. Miscellaneous Non-operating Revenues
This account shall include all revenue items, properly includible in the income account and not provided for elsewhere.

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

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

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

INCOME DEDUCTIONS

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

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

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

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

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

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

C. Amounts charged to this account shall be credited concurrently to account 140, Unamortized Debt Discount and Expense.
532. Amortization of Premium on Debt--Credit
A. This account shall include in each accounting period the portion of unamortized premium on outstanding long-term debt which is applicable to such period.
B. The amount of unamortized premium on debt includible in each accounting period shall be determined in accordance with balance sheet instruction section 462.6.
C. Amounts credited to this account shall be charged concurrently to account 240, Unamortized Premium on Debt.

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

534. Interest on Debt to Associated Companies
There shall be reported by this caption the amounts included in accounts 534.1 and 534.2.

534.1. Interest on Advances from Associated Companies
A. This account shall include interest accrued on advances from associated companies and included in account 215, Advances from Associated Companies.
B. The records supporting the entries to this account shall be so kept as to show to whom the interest is to be paid, the period covered by the accrual, the rate of interest and the principal amount of the advances on which the interest is accrued.

534.2. Interest on Other Debt to Associated Companies
A. This account shall include interest accrued on amounts recorded in account 223.1, Notes Payable to Associated Companies, on amounts recorded in account 223.2, Accounts Payable to Associated Companies, and on any other obligation to associated companies, except long-term debt held by and advances from such companies, the interest on which shall be included in account 530 or 534.1, as appropriate.
B. The records supporting the entries to this account shall be so kept as to show to whom the interest is to be paid, the period covered by the accrual, the rate of interest, the nature of the obligation on which accrued, and the account or accounts credited with the accrual.

535. Other Interest Charges
A. This account shall include all interest charges not provided for elsewhere.
B. A list of some of the items of indebtedness, the interest on which is chargeable to this account, follows: (1) Assessments for public improvements, (2) claims and judgments, (3) customers' deposits, (4) notes payable on demand or maturing one year or less from date, except notes payable to associated companies, (5) open accounts, except with associated companies (6) tax assessments.

536. Interest Charged to Construction--Credit
This account shall include concurrent credits for interest charged to construction in accordance with steam plant instruction ð 463.4, subdivision (a), paragraph (18).

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

538. Miscellaneous Income Deductions
This account shall include miscellaneous debits to income, not provided for elsewhere.

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

539. Income Taxes
This account shall include taxes on net income, excess profits, undivided profits, excess dividends, and capital stock.
Note: When credits are made direct to surplus of items which affect the income taxes, the portion of the taxes applicable to those items may be charged to surplus.

DISPOSITION OF NET INCOME

540. Miscellaneous Reservations of Net income
A. This account shall include reservations of net income, such as may be required under the terms of mortgages, deeds of trust, orders of courts, contracts, or other agreements, and other reservations of net income.
B. Amounts charged to this account shall be credited concurrently to the appropriate reserve account.
C. The entries in this account shall show the nature of each reservation of income.

SALES OF STEAM

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

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

605. Sales to Other Steam Utilities
A. This account shall include revenues from steam supplied to other steam utilities or to public authorities for distribution to others.
B. Revenues from steam supplied to other public utilities for use by them and not for distribution, shall be included in account 601, General Sales, unless supplied under the same contract as and not readily separable from revenues includible in this account.
Note: The records supporting the entries to this account shall show separately for each contract the point of delivery, the maximum demand, the quantity supplied, the basis for the charge, and the total charge to the distributor. When steam is delivered to a utility at more than one point, like detail shall be furnished for each point of delivery.

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

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

OTHER STEAM REVENUES

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

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

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

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

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

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

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

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

OPERATION AND MAINTENANCE ACCOUNTS

PRODUCTION EXPENSES

OPERATION

B A 701. Operation Supervision and Engineering
B 702. Station Labor
A 702.1 Boiler Labor
A 702.2 Accessory Power Equipment Labor
A 702.3 Miscellaneous Station Labor
B A 703. Fuel
B A 704. Water
B 705. Supplies and Expenses
A 705.1 Lubricants
A 705.2 Station Supplies
A 705.3 Station Expenses

MAINTENANCE

B A 706. Maintenance Supervision and Engineering
B A 707. Maintenance of Structures and Improvements
B 708. Maintenance of Boiler Plant Equipment
A 708.1 Maintenance of Coal Storage, Handling and Weighing Equipment
A 708.2 Maintenance of Furnaces and Boilers
A 708.3 Maintenance of Boiler Apparatus
A 708.4 Maintenance of Steam Piping and Accessories
B 709. Maintenance of Other Station Equipment
A 709.1 Maintenance of Accessory Power Equipment
A 709.2 Maintenance of Miscellaneous Station Equipment

MISCELLANEOUS

B A 710. Rents
B A 711. Steam from Other Sources
B A 712. Steam Transferred--Credit
B A 713. Joint Expenses--Debit
B A 714. Joint Expenses--Credit

DISTRIBUTION EXPENSES

OPERATION

B A 756. Operation Supervision and Engineering
B 758. Distribution Office Expenses
A 758.1 Distribution Maps and Records
A 758.2 Other Distribution Office Expenses
B A 761. Operation of Distribution Lines
B 762. Services on Customers' Premises
A 762.1 Removing and Resetting Meters and Accessory Equipment
A 762.2 Other Services on Customers' Premises

MAINTENANCE

B A 764. Maintenance Supervision and Engineering
B A 765. Maintenance of Structures and Improvements
B 769. Maintenance of Distribution Lines
A 769.1 Maintenance of Mains
A 769.2 Maintenance of Services
B A 772. Maintenance of Meters and Accessory Equipment

MISCELLANEOUS
B A 776. Rents
B A 777. Joint Expenses--Debit
B A 778. Joint Expenses--Credit
CUSTOMERS' ACCOUNTING AND COLLECTING EXPENSES
B A 779. Supervision
B 780. Customers' Contracts, Orders, Meter Reading and Collecting
   A 780.1 Customers' Contracts and Orders
   A 780.2 Credit investigations and Records
   A 780.3 Meter Reading
   A 780.4 Collecting
B A 781. Customers' Billing and Accounting
B A 782. Miscellaneous Expenses
B A 783. Uncollectible Accounts
B A 784. Rents

SALES PROMOTION EXPENSES
B A 785. Supervision
B A 786. Salaries and Commissions
B 787. Demonstration, Advertising and Other Sales Expenses
   A 787.1 Demonstration
   A 787.2 Advertising
   A 787.3 Miscellaneous Sales Expenses
B A 788. Rents
B A 789. Merchandising, Jobbing and Contract Work

ADMINISTRATIVE AND GENERAL EXPENSES
B A 790. Salaries of General Officers and Executives
B A 791. Other General Office Salaries
B 792. Expenses of General Offices and General Office Employees
   A 792.1 Expenses of General Officers
   A 792.2 Expenses of General Office Employees
B A 793. General Office Supplies and Expenses
B A 794. Management and Supervision Fees and Expenses
B A 795. Special Services
B A 796. Legal Services
B A 797. Regulatory Commission Expenses
B A 798. Insurance
B A 799. Injuries and Damages
B 800. Employees' Welfare Expenses and Pensions
   A 800.1 Employees' Welfare Expenses
   A 800.2 Pensions
   A 800.3 Welfare and Pension Administration
B A 801. Corporate and Fiscal Expenses
B A 801.2 Miscellaneous General Expenses
B 802. Maintenance of General Property
   A 802.1 Maintenance of Structures and Improvements
   A 802.2 Maintenance of Office Furniture and Equipment
   A 802.3 Maintenance of Communication Equipment
   A 802.4 Maintenance of Miscellaneous Equipment
B A 803. General Rents
B A 804. Commissions Paid Under Agency Sales Contracts
B A 805. Franchise Requirements
B A 806. Duplicate Miscellaneous Charges--Credit
B A 807. Administrative and General Expenses Transferred--Credit
B A 808. Joint Expenses--Debit
B A 809. Joint Expenses--Credit
OPERATION

B A 701. Operation Supervision and Engineering

This account shall include the cost of supervising and directing the operation of steam production stations. (See operation and maintenance instruction 6 467.4.)

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

B 702. Station Labor

A 702.1. Boiler Labor

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

ITEMS

(1) Boiler house engineer and assistants.
(2) Feed-pump men.
(3) Firemen.
(4) Furnace operators.
(5) Helpers.
(6) Janitors.
(7) Stoker attendants.
(8) Stokers.
(9) Watchmen.
(10) Water tenders.
(11) Weighers.
(12) Labor employed in:
   (a) Blowing flues.
   (b) Cleaning boilers.
   (c) Handling coal and ashes (within the boiler plant).
   (d) Pulverizing coal.
   (e) Testing steam meters (station) and gauges and other instruments.

A 702.2. Accessory Power Equipment Labor

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

ITEMS

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

A 702.3 Miscellaneous Station Labor

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

ITEMS

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

B A 703. Fuel

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

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

B A 704. Water
This account shall include the cost of water for boilers and
condensers, etc. If water is purchased, the charge shall be at the
contract price or the meter rate; if pumped by the utility, the cost of
pumping shall be charged to this account.

ITEMS

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

B 705. Supplies and Expenses
A 705.1. Lubricants
This account shall include the cost of lubricants for machinery in
steam production stations, including the cost of recovering oil from
waste and the cost of handling and filtering.

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

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

A 705.2. Station Supplies
This account shall include the cost of all miscellaneous supplies,
tools, etc., used in steam production stations.

ITEMS

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

A 705.3. Station Expenses
This account shall include miscellaneous expenses, which are not
specifically provided for in other operating expense accounts, incurred
in the operation of steam production stations.

ITEMS

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

MAINTENANCE

B A 706. Maintenance Supervision and Engineering
This account shall include the cost of supervising and directing the maintenance of steam production stations. (See operation and maintenance instruction 6 467.4.)

B A 707. Maintenance of Structures and Improvements
This account shall include the cost of maintenance of buildings, structures, fixtures, and improvements at steam production stations, the book cost of which is included in account 311, Structures and Improvements.

B 708. Maintenance of Boiler Plant Equipment
A 708.1. Maintenance of Coal Storage, Handling and Weighing Equipment
This account shall include the cost of maintenance of coal storage, handling, ash disposal, and pulverizing equipment at steam production stations, the book cost of which is included in account 312, Boiler Plant Equipment.

A 708.2. Maintenance of Furnaces and Boilers
This account shall include the cost of maintenance of furnaces and boilers at steam production stations, the book cost of which is included in account 312, Boiler Plant Equipment.

A 708.3. Maintenance of Boiler Apparatus
This account shall include the cost of maintenance of auxiliary apparatus in boiler rooms at steam production stations, the book cost of which is included in account 312, Boiler Plant Equipment, such as air preheaters, draft apparatus, combustion control apparatus, foundations, food water apparatus, pumps, and water purification systems.

A 708.4. Maintenance of Steam Piping and Accessories
This account shall include the cost of maintenance of steam production station piping systems and accessories used in connection with the making of steam, the book cost of which is included in account 312, Boiler Plant Equipment.

B 709. Maintenance of Other Station Equipment
A 709.1. Maintenance of Accessory Power Equipment
This account shall include the cost of maintenance of accessory power equipment in steam production stations, the book cost of which is included in account 315, Accessory Power Equipment.

A 709.2. Maintenance of Miscellaneous Station Equipment
This account shall include the cost of maintenance of miscellaneous station equipment, the book cost of which is included in account 316, Miscellaneous Station Equipment.

MISCELLANEOUS

B A 710. Rents
This account shall include all rents of property of others used, occupied, or operated in connection with steam power generation; and also amounts payable for depreciation, taxes, interest or return under joint facility agreements. (See operation and maintenance instruction 6 66
Note: Rents payable to customers for use of their steam equipment shall be included in a separate subdivision of this account. The utility shall keep supporting records to show for each such lease, a description of the property covered, the annual rental, and the dates when such lease became effective and the dates of actual operation by the utility.

B A 711. Steam from Other Sources

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

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

B A 712. Steam Transferred--Credit

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

B A 713. Joint Expenses--Debits

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

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

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

B A 714. Joint Expenses--Credit

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

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

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

DISTRIBUTION EXPENSES

OPERATION

B A 756. Operation Supervision and Engineering

This account shall include the cost of supervising and directing the operation of the distribution system. (See operation and maintenance instruction 467.4.)
B 758. Distribution Office Expenses
A 758.1. Distribution Maps and Records
This account shall include salaries and expenses for the preparation of distribution maps and records, including the cost of stationery, drafting materials, etc.
A 758.2 Other Distribution Office Expenses
This account shall include such distribution office expenses as heat, ice water, office supplies, stationery and printing, telephone tolls and rentals, janitor service, etc.
B A 761. Operation of Distribution Lines
This account shall include the cost of labor and material used and expenses incurred in the operation of distribution lines, including mains and regulating and measuring equipment, and services. (1) Cleaning manholes, (2) fuel, (3) lubricants and waste, (4) meter and gauge supplies, (5) moisture tests, (6) operating pumps in manholes, (7) replacing pressure charts, (8) tools, hand.
B 762. Services on Customers' Premises
A 762.1. Removing and Resetting Meters and Accessory Equipment
This account shall include the cost of labor and materials used and expenses incurred in inspecting, testing, removing and resetting or changing the location of meters and accessory equipment located on customers' premises.
This account shall include the cost of all disconnecting and reconnecting of meters, except when occasioned by the failure to pay, in which case the cost is chargeable to account 780.4, Collecting.
Note A: All installation costs of meters and of accessory equipment may be charged to this account.
A 762.2. Other Services on Customers' Premises
A. This account shall include the cost of labor and material used and expenses incurred in work on customers' premises other than amounts included in account 762.1, Removing and Resetting Meters and Accessory Equipment.
ITEMS
(1) Changing location of appliances.
(2) Improving character of service.
(3) Inspecting premises.
(4) Investigating and adjusting customers' service complaints.
(5) Testing customers' equipment.
Note A: Fees and charges to customers for such services shall be credited to account 614, Servicing of Customers' Installations.
Note B: This account shall not include costs incurred in connection with merchandising, jobbing and contract work.
MAINTENANCE
B A 764. Maintenance Supervision and Engineering
This account shall include the cost of supervising and directing the maintenance of the distribution system. (See operation and maintenance instruction § 467.4.)
B A 765. Maintenance of Structures and Improvements
This account shall include the cost of maintenance of distribution structures and improvements, the book cost of which is included in account 351, Structures and Improvements.
B 769. Maintenance of Distribution Lines
A 769.1. Maintenance of Mains
This account shall include the cost of maintenance of mains, etc., the
book cost of which is included in account 353, Mains.

A 769.2. Maintenance of Services
A. This account shall include the cost of maintenance of services, the book cost of which is included in account 359, Services.

B A 772. Maintenance of Meters and Accessory Equipment
This account shall include the cost of maintenance of meters and accessory equipment, the book cost of which is carried in account 360, Meters, and account 361, Accessory Equipment on Customers' Premises.

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

MISCELLANEOUS

B A 776. Rents
This account shall include all rents for property of others used, occupied, or operated in connection with the distribution system; and also amounts payable for depreciation, taxes, interest or return under joint facility agreements. (See operation and maintenance instructions ø 467.5 and 467.6.)

B A 777. Joint Expenses--Debit
A. This account shall include amounts for the cost of operation and maintenance payable by the steam department to others or to a coordinate department for joint facilities used, occupied, or operated in connection with the distribution of steam. (See operation and maintenance instruction ø 467.6.)

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

B A 778. Joint Expenses--Credit
A. This account shall include such portion of the cost of operating and maintaining joint facilities operated by the steam department in connection with the distribution of steam as is charged to others or to a coordinate department. (See operation and maintenance instruction ø 467.6.)

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

CUSTOMERS' ACCOUNTING AND COLLECTING EXPENSES

B A 779. Supervision
This account shall include the cost of supervising and directing work on customers' contracts, orders, inquiries and accounts, and in meter reading and collecting. (See operation and maintenance instruction ø 467.4.)

B 780. Customers' Contracts, Orders, Meter Reading and Collecting
A 780.1. Customers' contracts and orders
This account shall include the pay and expenses of employees engaged in work on customers' applications, contracts, orders, complaints and inquiries, and supplies used and expenses incurred in connection therewith.

ITEMS

(1) Books.
(2) Building service (not including rent).
(3) Office supplies.
(4) Postage.
(5) Salaries and wages.
(6) Stationery.
(7) Transportation.
A 780.2. Credit investigations and Records
This account shall include the pay and expenses of employees engaged in investigations of customers' credit and the keeping of records pertaining thereto, including supplies used and expenses incurred in connection therewith.

ITEMS
(1) Books.
(2) Building service (not including rent).
(3) Office supplies.
(4) Postage.
(5) Salaries and wages.
(6) Stationery.
(7) Transportation.
Note: The keeping of this account is optional. If not used, charges provided for herein shall be included in account 780.1, Customers' Contracts and Orders.
A 780.3 Meter Reading
This account shall include the pay and expenses of employees engaged in reading customers' meters, and supplies used and expenses incurred in connection therewith.

ITEMS
(1) Badges.
(2) Building service (not including rent).
(3) Forms for recording readings.
(4) Lamps.
(5) Meter charts.
(6) Meter readers, chart collectors and chart readers, pay of.
(7) Transportation.
(8) Uniforms.
A 780.4. Collecting
This account shall include the pay and expenses of employees engaged in collecting customers' bills, and supplies used and expenses incurred in connection therewith; also corresponding payments to attorneys, collection agencies or others, not employees of the utility, who are engaged in making such collections.

ITEMS
(1) Building service (not including rent).
(1a) Cashiers, pay and expenses of.
(2) Commissions, fees, or salaries of collectors.
(3) Disconnection for non-payment of bills.
(4) Office supplies.
(5) Postage.
(6) Stationery and printing.
(7) Transportation.
B A 781. Customers' Billing and Accounting
This account shall include the pay and expenses of employees engaged in customers' billing and accounting work, and supplies used and expenses incurred in connection therewith.

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

B A 782. Miscellaneous Expenses
This account shall include the labor, materials and expenses, which are not chargeable to the foregoing accounts, and which were used or incurred in customers' accounting and collecting.

B A 783. Uncollectible Accounts
This account shall be charged each month with amounts sufficient to provide for losses from uncollectible steam revenues. Concurrent credits shall be made to account 254, Reserve for Uncollectible Accounts. Losses from uncollectible accounts shall be charged to such reserve. (See also account 789.2.)

B A 784. Rents
This account shall include rents of property of others used in connection with customers' accounting and collecting. (See operation and maintenance instruction ñ 467.5.)

SALES PROMOTION EXPENSES

B A 785. Supervision
This account shall include the cost of supervising and directing the sales department and the solicitation of new business, including assistants, stenographers, and clerical help on records. (See operation and maintenance instruction ñ 467.4.)

B A 786. Salaries and Commissions
This account shall include the salaries and commissions paid salesmen for canvassing and soliciting new business, including the cost of preparing estimates for industrial and other customers.

B 787. Demonstration, Advertising and Other Sales Expenses
A 787.1. Demonstration
This account shall include the cost of labor and materials used and expenses incurred in demonstrating the use of appliances or other equipment.

ITEMS
(1) Employees: (a) Demonstrators, (b) instructors, (c) typists and clerks.
(2) Expenses: (a) Building service (not including rent), (b) communication service, (c) demonstration supplies, (d) steam service, (e) transportation.

A 787.2. Advertising
This account shall include the cost of labor and materials used and expenses incurred in connection with advertising for the purpose of promoting the sales of steam.

ITEMS
(1) Advertising in newspapers, periodicals, etc.
(2) Advertising manager and assistants.
(3) Clerks.
(4) Materials and expenses in preparing: (a) Advertisements, (b) booklets, (c) bulletins, (d) dodgers, (e) posters.
(5) Stenographers and typists.

A 787.3. Miscellaneous Sales Expenses
This account shall include the cost of labor and materials used and expenses incurred in soliciting new business, except amounts chargeable to the foregoing accounts.

B A 788. Rents
This account shall include rents properly includible in operating expenses for property of others used by the sales promotion organization. (See operation and maintenance instruction § 467.5.)

B A 789. Merchandising, Jobbing and Contract Work
A. This account shall include expenses of merchandising, jobbing and contract work; also all revenues derived from the sale of steam merchandise, and jobbing or contract work, including any profit or commissions accruing to the utility from jobbing work performed by it as agent under agency contracts, whereby it undertakes to do jobbing work for another for a stipulated profit or commission.

B. This account shall be subdivided as follows:
   789.1. Revenues from merchandising, jobbing and contract work.
   789.2. Cost of merchandising, jobbing and contract work.

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

ITEMS OF EXPENSE
(2) Cost of merchandise sold, and of materials used for jobbing work including transportation, storage, handling.
(4) Direct taxes.
(5) Discounts and allowances made in settlement of bills for merchandise and jobbing work.
(7) Insurance on merchandise.
(8) Inventory adjustments, merchandise.
(10) Losses from uncollectible merchandise accounts.
(13) Pay and expenses of all employees engaged in selling, delivery, installation, etc.
(14) Reconditioning repossessed appliances.

B 790. Salaries of General Officers and Executives
A. This account shall include the compensation (salaries, bonuses and other consideration for services) of officers and executives of the utility, properly chargeable to steam operations and not chargeable directly to a particular steam function.

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

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

B 791. Other General Office Salaries
A. This account shall include the compensation of employees engaged in the general or divisional offices properly chargeable to steam operations and not chargeable directly to a particular steam function.

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

B 792. Expenses of General Officers and General Office Employees
A 792.1. Expenses of General Officers
A. This account shall include the expenses incurred for the benefit of
the utility in its steam operations by officers and executives whose
salaries are included in account 790 and which are not chargeable
directly to a particular steam function.
B. This account shall be kept so that there will be available
subdivisions thereof in accordance with the utility's administrative
organization such as executive, accounting, treasury, legal, etc.
ITEMS
(1) Hotels.
(2) Meals, including payment therefor on account of overtime work.
(3) Membership fees and dues in trade, technical and professional
associations.
(4) Traveling expenses.

A 792.2. Expenses of General Office Employees
A. This account shall include the expenses incurred for the benefit of
the utility in its steam operations by employees whose salaries are
included in account 791 and which are not chargeable directly to a
particular steam function.
B. This account shall be kept so that there will be available
subdivisions thereof in accordance with the utility's administrative
organization such as executive, accounting, treasury, legal, etc.
ITEMS
(1) Hotel.
(2) Meals, including payment therefor on account of overtime work.
(3) Membership fees and dues in trade, technical and professional
associations.
(4) Traveling expenses.

A 793. General Office Supplies and Expenses
A. This account shall include the cost of office supplies and office
expenses in connection with the general administrative functions of the
utility's steam operations.
B. This account shall be kept so that there will be available
subdivisions thereof in accordance with the utility's administrative
organization such as executive, accounting, treasury, legal, etc.
ITEMS
(1) Automobile service, including charges through clearing account
903, transportation expenses--clearing.
(2) Books and periodicals for office use.
(3) Building service (not including rent).
(4) Communication service.
(5) Office supplies.
(6) Postage.
(7) Printing.
(8) Stationery.
Note: Office expenses which are clearly applicable to any group of
operating expenses other than administrative and general shall not be
included in this account.

A 794. Management and Supervision Fees and Expenses
A. This account shall include amounts payable by the steam department
to any corporation, firm, or individual, for general supervision and
management services and expenses. (See general instruction, § 461.8.)
B. Records supporting this account shall be so kept as to show (1) the
basis of each fee, (2) the amount of the fee, (3) the person to whom the
fee is paid or payable, and (4) credits.

B A 795. Special Services

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

ITEMS

(1) Services: (a) Auditing and accounting, (b) budget, (c) personnel, (d) publication, (e) rates, (f) secretarial, (g) statistical, (h) supervisory.

(2) Expenses: (a) Hotel, (b) meals, (c) printing, (d) stationery, (e) traveling.

B A 796. Legal Services

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

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

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

B A 797. Regulatory Commission Expenses

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

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

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

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

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

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

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

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

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

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

B A 798. Insurance

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

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

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

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

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

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

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

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

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

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

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

B 799. Injuries and Damages

A. This account shall include losses not covered by insurance on account of injuries or deaths to employees or others, which occur in connection with steam operations, and payments and expenses on account of damages to the property of others or for non-performance of contractual obligations, whether the loss be occasioned by fire, flood, storm, or other cause. Amounts may be accrued monthly sufficient to meet the probable liability for such losses, concurrent credits being made to account 256, Injuries and Damages Reserve, in which case losses sustained shall be charged to the reserve.

B. This account shall also include:

1. Pay and expenses of officers and employees regularly engaged in or specifically assigned to work in connection with injuries to employees or others, damages to property of others, etc.

2. Payments to attorneys, investigators and adjusters, court costs, etc.

3. Insurance premiums for protection against claims from injuries and damages, including public liability, property damages, boiler, casualty, employees' liability, etc., except as provided in note C hereunder.

C. Reimbursements from insurance companies or others for expenses charged hereto on account of injuries and damages, and insurance dividends or refunds, shall be credited to this account.

Note A: Payments to or in behalf of employees, including accident and death benefits, salaries, hospital expenses, medical supplies; also salaries, fees, and expenses of surgeons, doctors, nurses, etc., or amounts reserved for such payments, when provided for through a plan for employees' benefits, shall be charged to account 800, Employees' Welfare Expenses and Pensions.

Note B: No part of the salaries of officers or employees of the law department shall be included in this account for merely incidental services in connection with injury and damage claims.

Note C: Losses or insurance premiums paid in connection with transportation and garage equipment shall be charged to account 903, Transportation Expenses--Clearing.

Note D: Exclude from this account insurance on officers and employees and the cost of injuries and damages chargeable directly to steam plant accounts, clearing accounts or to other appropriate accounts.

B 800. Employees' Welfare Expenses and Pensions

A 800.1. Employees' Welfare Expenses

A. This account shall include the expenses incurred in conducting employees' accident prevention, educational and recreational activities, the cost of employees' relief and benefits (other than pensions, and injuries and damages chargeable to account 799, Injuries and Damages)
and the cost of life insurance for employees when the utility is not the beneficiary.

B. This account shall not include any charges representing amounts used or to be used for the purchase of securities of the accounting company or any associated company, whether contributed by the accounting company or deducted from salaries and wages of employees, unless and until such amounts have actually been realized and paid to the employees in cash or its equivalent subject to their free disposition. To the extent that the securities thus purchased have an actual market value, the amounts paid for them may be carried meanwhile in account 114.3, Miscellaneous Special Funds; otherwise such amounts shall be charged to account 538, Miscellaneous Income Deductions. (See general instruction 461.6.)

Note A: When the utility is the beneficiary of insurance on officers or employees, the cash surrender value shall be included in account 133, other current and accrued assets, and the excess of cost of the insurance over such cash surrender value shall be charged to account 538, Miscellaneous Income Deductions.

Note B: See note to account 800.2.

Note C: Credit to this account the portion of welfare expenses which is applicable to non-utility operations or which is charged to construction and retirement work orders, and to clearing or other accounts unless such amounts are distributed directly to the accounts concerned in the first instance.

A 800.2 Pensions

A. This account shall include pensions payable currently to retired employees or their beneficiaries. (See general instruction 461.11.)

B. This account shall include the cost of advance provision for pensions to be paid to retired employees or their beneficiaries. Such cost represents amounts payable to a trust fund or to an insurance company where the following conditions are met:

1. Pension plan is definite and formally adopted.
2. Amounts paid are irrevocably dedicated to pension purposes.
3. A program of advance provision based on actuarial studies or on other recognized and acceptable systematic method of computation or allocation is undertaken.

C. This account shall include any payments under the pension plan, in addition to the current accruals specified in paragraph B, such as payments computed in relation to a prior service period, but such amounts may, with the approval of the commission, be spread over a period of years, if their inclusion when paid would seriously distort the expenses of that year.

D. Incidental benefits payable on withdrawal or death under a definite and formally adopted pension plan may be considered as pensions within the intent of paragraphs A and B.

Note A: Credit to this account the portion of pension costs which is applicable to non-utility operations or which is charged to construction and retirement work orders, and to clearing or other accounts unless such amounts are distributed directly to the accounts concerned in the first instance.

Note B: Social security and unemployment benefit taxes shall be included in account 507, Operating Taxes, or other appropriate account. (See notes C, E and H to account 507.)

Note C: Each utility making charges to this account under paragraph B
shall have filed with this commission a copy of its pension plan and pension trust agreement or contract with an insurance company for the purchase of annuities, together with a description of its program of advance provision for pension costs. Any material change in these items shall be reported promptly to the commission.

Note D: A complete record of the computation of the amounts paid as advance provision for pensions shall be maintained.

Note E: No charges shall be made to this account in anticipation of discretionary pension payments in the future.

Note F: Upon adoption of an accrual plan of accounting, pension payments to employees retired before the adoption of such plan shall be charged to an existing pension reserve until such reserve is exhausted, unless the reserve is eliminated by payment of an equivalent amount into the pension trust fund.

A 800.3 Welfare and Pensions Administration

This account shall include the salaries of persons engaged in the administration of the welfare and pensions department and the expenses incurred in such administration.

Note A: The cost of labor and related supplies and expenses of administrative and general employees who are only incidentally engaged in welfare and pension activities may be included in the accounts appropriate for their major duties.

Note B: Credit to this account the portion of the cost of the administration of the welfare and pension department which is applicable to amounts transferred to non-utility operations or which are charged to construction and retirement work orders or to clearing or other accounts, unless such administrative costs are distributed directly to the accounts concerned in the first instance.

B A 801.1 Corporate and Fiscal Expenses

This account shall include expenses of holding meetings of stockholders, cost of publishing and distributing annual reports to stockholders, cost of publishing corporate, dividend, and redemption notices, fees of stock transfer agents and registrars, fees and expenses of trustees and fiscal agents, expense of listing securities on stock exchanges, and other analogous items.

B A 801.2 Miscellaneous General Expenses

This account shall include such items of expense applicable to the steam department as association dues; contributions for conventions and meetings of the industry; cost of research and experimental work conducted for the benefit of the steam department or the industry or for the improvement of steam service (except such amounts as may be properly chargeable to other accounts); director's fees; fees for filing annual reports and tariff schedules; and any other miscellaneous expenses connected with the general management and not otherwise provided for.

B 802. Maintenance of General Property

A 802.1 Maintenance of Structures and Improvements

This account shall include the cost of maintenance of general buildings, the book cost of which is included in account 371, Structures and Improvements.

Note: The cost of maintenance of buildings and improvements may be charged to account 907, Building Service-Clearing, in accordance with the provisions of that account.

A 802.2. Maintenance of Office Furniture and Equipment

This account shall include the cost of maintenance of office furniture
and equipment used by the administrative divisions of the steam department.

Note: The cost of maintenance of office furniture and equipment used elsewhere than in the administrative departments shall be charged to the maintenance, construction or clearing account appropriate to the use thereof.

A 802.3. Maintenance of Communication Equipment
This account shall include the cost of maintenance of miscellaneous property not provided for in connection with the utility's operations, the book cost of which is included in account 378, Communication Equipment.

Note: If a clearing account is kept for the distribution of communication expenses to the appropriate accounts, the maintenance of communication equipment may be charged thereto and the use of this account discontinued.

A 802.4. Maintenance of Miscellaneous Equipment
This account shall include the cost of maintenance of miscellaneous property not provided for elsewhere including miscellaneous general equipment, the book cost of which is included in account 379, Miscellaneous Equipment, and tools and work equipment included in account 377, Tools and Work Equipment.

Note: Maintenance of tools and work equipment may be charged to a clearing account and distributed to appropriate accounts based on the use of the equipment.

B A 803. General Rents
This account shall include rent property includible in steam operating expenses covering the property of others used, occupied or operated in connection with the general and administrative functions of the utility; and also amounts payable for depreciation, taxes, interest or return under joint facility agreements. (See operation and maintenance instructions ð 467.5 and 467.6.)

Note: Rent for offices and buildings may be charged to account 907, Building Service-Clearing, in accordance with the provisions of that account.

B A 804. Commissions Paid Under Agency Sales Contracts
This account shall include the amount paid or payable by the utility to its agents as commission for distributing steam over the agent's distribution lines and selling the same, and for all services performed in connection therewith.

Note A: This account shall be used only when sales are made under rate schedules filed by the accounting utility and when the gross receipts therefrom are credited to it; otherwise the transactions shall be accounted for as sales of steam.

Note B: Records pertaining to each agency sales contract shall be so kept by the utility as to show full particulars as to amounts paid for each kind of service rendered thereunder.

B A 805. Franchise Requirements
A. This account shall include payments to municipal or other governmental authorities, and the cost of materials, supplies and services furnished such authorities without reimbursement in compliance with franchise, ordinance, or similar requirements, provided, however, that the utility may charge to this account at regular tariff rates, instead of cost, steam furnished without charge under provisions of franchises. (See also account 302, Franchises and Consents.)
B. When no direct outlay is involved concurrent credit for such charges shall be to account 806, Duplicate Miscellaneous Charges--Credit.

C. This account shall be subdivided as follows

805.1. Cash outlays.
805.2. Steam supplied without charge--debit.
805.3. Other items furnished without charge--debit.

Note A: Taxes shall not be charged to this account. (See account 507, Operating Taxes.)

B A 806. Duplicate Miscellaneous Charges--Credit
A. This account shall include concurrent credits for charges which are made to account 805, Franchise Requirements, to the extent that such charges do not represent direct outlays. It shall also include concurrent credits for charges made to operating expense or other accounts of the steam department for steam for heating or other purposes for which there is no direct money outlay (see operating revenue instruction § 466.5); and also refunds by associated companies and mutual service companies provided for in subdivision (c) of general instruction section 461.8.

B. This account shall be kept in such manner as to disclose the nature and amount of each item included herein.

B A 807. Administrative and General Expenses Transferred--Credit
A. This account shall be credited with amounts recorded in the administrative and general expenses which are properly includible in construction costs.

B. The records supporting this account shall be so kept as to show the basis of determining the amounts transferred to construction.

Note: See steam plant instruction, section 463.5.

B A 808. Joint Expenses--Debit
A. This account shall include amounts for the cost of operation and maintenance payable by the steam department to others or to a coordinate department for joint facilities used, occupied or operated in connection with administrative and general functions of the utility. (See operation and maintenance instruction § 467.6.)

B. The records supporting the entries to this account shall be so kept that the utility can furnish a complete explanation of the debits to this account, including the following: (1) Charges from others, (2) charges from coordinate departments.

B A 809. Joint Expenses--Credit
A. This account shall include such portion of the cost of operating and maintaining joint facilities operated by the steam department in connection with its administrative and general functions as is chargeable to others, or to a coordinate department. (See operation and maintenance instruction § 467.6.)

B. The records supporting the entries to this account shall be so kept that the utility can furnish a complete explanation of the credits to this account, including the following: (1) Charges to others, (2) charges to coordinate departments.

CLEARING ACCOUNTS

902. Stores Expenses--Clearing
903. Transportation Expenses--Clearing
904. Laboratory Expenses--Clearing
905. Shop Expenses--Clearing
906. Tools and Work Equipment Expenses--Clearing
907. Building Service--Clearing
902. Stores Expenses--Clearing
   A. This account shall include the cost of supervision, labor and expenses incurred in the operation and maintenance of the steam general storerooms, including storage, handling and distribution of materials and supplies.
   B. Cash discounts shall be credited hereto when such discounts can not be applied to the cost of particular materials.
   C. This account shall be cleared by adding to the cost of materials and supplies a suitable loading charge which will distribute the expense equitably over stores issues.

ITEMS
   (1) Adjustments of inventories of materials and supplies.
   (2) Books, stationery, and office supplies.
   (3) Building service.
   (4) Collecting and handling scrap materials in stores.
   (5) Communication service.
   (5a) Depreciation of storeroom equipment.
   (6) Discount on materials when not assignable to specific items.
   (7) Freight, express, etc., when not assignable to specific items.
   (8) Heat, light and power for storerooms and stores offices.
   (9) Injuries and damages.
   (10) Inspecting and testing materials and supplies, when not assignable to specific items.
   (11) Insurance on materials and supplies and on stores equipment.
   (12) Losses due to breakage, leakage, evaporation, fire and other causes. Credit any amounts received from insurance, transportation companies or others in compensation of such losses.
   (13) Maintenance of office furniture and equipment.
   (14) Maintenance of stores equipment.
   (15) Pay and expenses of storekeepers, clerks, and others employed in storerooms or in store offices.
   (16) Postage, stationery and printing.
   (16a) Purchasing agents' fees, portion applicable to items carried through this account.
   (16b) Purchasing agents' pay and expenses, portion applicable to items carried through this account.
   (17) Rents.
   (18) Taxes, direct.
   (19) Transporting materials into storehouse, when not assignable to specific items.

Note A: Large differences in the accounts disclosed by inventories, which can readily be assigned to important classes of materials, shall be equitably adjusted among the accounts to which such classes of materials have been charged since the previous inventory. Other differences shall be equitably apportioned among the accounts to which materials have been charged, or included in this account.

Note B: Transportation charges on materials recovered from retirements of steam plant shall be charged to the account to which the cost of removal was charged.

903. Transportation Expenses--Clearing
   A. This account shall include the cost of supervision, labor and expenses incurred in the operation and maintenance of the general transportation equipment of the steam department, including direct taxes and depreciation on transportation equipment.
B. This account shall be cleared by apportionment to operating expense, steam plant or other accounts on a basis which will distribute the expenses equitably. Credits to this account shall be made in such detail as to permit ready analysis thereof.

ITEMS

(1) Books and stationery.
(2) Building service.
(3) Communication service.
(4) Depreciation of transportation equipment.
(5) Feed and bedding for horses and mules.
(6) Fuel and lubricants for vehicles (including sales and excise taxes thereon).
(7) Freight, express, drayage, etc., on fuel, repair parts, etc.
(8) Heat, light, and power for garage and garage office.
(9) Injuries and damages.
(10) Insurance on garage equipment and transportation equipment, including public liability and property damage.
(11) License fees for vehicles and drivers.
(12) Maintenance of office furniture and equipment.
(13) Maintenance of transportation and garage equipment.
(14) Office supplies, postage, etc.
(15) Operation of garages and stables.
(16) Pay and expenses of drivers, mechanics, etc.
(17) Rent of garage buildings and grounds.
(18) Rent of vehicles and other rents.
(19) Taxes, direct.
(20) Tires, tubes and chains.

904. Laboratory Expenses--Clearing

A. This account shall include the cost of supervision, pay of chemists, engineers, assistants and other employees, and expenses of such employees, engaged in the operation and maintenance of steam general laboratories.

B. If a laboratory is maintained at a production station in connection with the operation of the station, the costs incident to its operation and maintenance shall be charged to the appropriate production expense account.

C. This account shall be cleared by apportioning on an equitable basis the total of the expenses to operating expense, steam plant, and other accounts benefited. Credits to this account shall be made in such detail as to permit ready analysis thereof.

ITEMS

(1) Books and stationery.
(2) Building service.
(3) Charts.
(4) Chemists and their assistants, pay and expenses of.
(5) Communication service.
(5a) Depreciation of laboratory equipment.
(6) Heat, light and power.
(7) Injuries and damages.
(7a) Insurance on laboratory equipment and supplies.
(8) Maintenance of equipment.
(9) Periodicals.
(10) Rents.
(11) Taxes, direct.
(12) Testing supplies.
Note: The mandatory use of this account may be suspended upon order of the commission if equivalent information is readily obtainable from other records of the utility.

905. Shop Expenses--Clearing
A. This account shall include the cost of supervision, labor and expenses incurred in the operation and maintenance of steam general shops of the utility.
B. This account shall be cleared by apportionment to operating expense, steam plant, or other accounts benefited on a basis which will distribute the expenses equitably. Credits to this account shall be made in such detail as to permit ready analysis.

ITEMS

(1) Books and stationery.
(2) Building service.
(3) Collecting and handling scrap materials.
(4) Communication service.
(4a) Depreciation of shop equipment.
(5) Heat, light and power.
(6) Injuries and damages.
(6a) Insurance on shop equipment and supplies.
(7) Repairs to shop equipment.
(8) Rents.
(9) Pay and expenses of superintendents, machinists and other employees in shops.
(10) Taxes, direct.

906. Tools and Work Equipment Expenses--Clearing
A. This account shall include the cost of supervision, labor and expenses incurred in the operation and maintenance of the general tools and work equipment of the steam department, including direct taxes and depreciation on such equipment.
B. This account shall be cleared by apportionment to operating expense, utility plant or other appropriate accounts on a basis which will distribute the expenses equitably according to the use of the equipment. Credits to this account shall be made in such detail as to permit ready analysis thereof.

ITEMS

(1) Books and stationery.
(2) Building service.
(3) Communication service.
(4) Depreciation of tools and work equipment.
(5) Fuel and lubricants for equipment including sales and excise taxes thereon.
(6) Injuries to persons and damages to property of others in the operation of tools and work equipment.
(7) Insurance.
(8) License fees for equipment.
(9) Pay and expenses of operators, mechanics, etc.
(10) Rent of tools and work equipment.
(11) Repairs to tools and work equipment.
(12) Shop expenses.
(13) Taxes, direct.

Note: The use of this account is optional. If not used, maintenance of the equipment, to the extent applicable to operating expenses, shall be
charged to account 802.4, Maintenance of Miscellaneous Equipment.

907. Building Service--Clearing

A. This account shall include the cost of operating and maintaining offices and buildings whether owned or rented from others, when such expenses are not allocated as they are incurred to the operating expense or other accounts benefited.

B. This account shall be cleared by apportionment to the appropriate accounts on the basis of the use made of the property.

C. A separate subdivision of this account shall be kept for each building operated.

ITEMS

(1) Cleaning service and supplies.
(2) Communication service.
(3) Elevator service.
(4) Fuel.
(5) Heat.
(6) Injuries and damages.
(7) Insurance
(8) Janitor service, including rent for space occupied as living quarters.
(9) Light.
(10) Maintenance of buildings.
(11) Pay and expenses of superintendents.
(12) Power.
(13) Refrigeration.
(14) Rents.
(15) Towels.
(16) Water.
utility's own experience; and

(ii) Where competitive bidding is employed, shall remain confidential until after the bids are opened.

(2) Where competitive bidding is employed, specify the procedures used in preparing and maintaining lists of qualified bidders by geographical area, type of material or service provided, and degree of capability, including:

(i) The criteria used for including or excluding bidders;
(ii) A description of the circumstances in which all bidders on such a list will not be solicited in instances where the utility uses competitive bidding; and
(iii) A provision that in the absence of such a list, all requests to be allowed to bid that are not honored, shall be reviewed within the utility.

(3) Where competitive bidding is employed, specify the procedure to be employed to ensure that sealed bids are opened at the time and place specified.

(4) Specify the procedure employed in making awards in the absence of bids or, where competitive bidding is employed, to a person other than the low bidder.

(5) Specify the procedures employed in reviewing contract expenditures, relating such expenditures to any cost estimate, the amount of the award and existing market conditions.

(6) Include a requirement for disclosure to the utility of any ownership or beneficial interest in potential suppliers by employees involved in specifying or procuring services, equipment and materials, which requirement shall provide that no employee in the purchasing department nor anyone with authority to review or approve a purchasing decision shall have such an interest, except in accordance with such rules as the utility may develop and file with this Commission.

SEC. 480.2 Filing of changes in procedures.

Each such electric, gas and steam corporation shall file with this commission any change in these procedures at least 30 days before they are to be effective, unless otherwise authorized by this commission.

SEC. 481.1 Filing of proposed contract

SEC. 481.2 Subcontract on cost-plus basis

SEC. 481.3 Emergency contract

SEC. 481.4 Quarterly filing of contract

SEC. 481.5 Waiver of rule
construction, improvement or extension of its plant, works or systems exceeding in amount $100,000 in any calendar year, and a list of any other offers received, and such contract or agreement shall not become effective until it has been on file with this commission for 30 days, or until the commission has notified the utility that such contract or agreement may be made effective immediately. If during the 30 day period, the Commission determines that it is in the public interest for the contract or agreement for the work proposed to be performed to be let after public bidding, the Commission will notify the public utility company, and the filed contract or agreement will not become effective. In such circumstances the public utility shall proceed to make a public offering of the proposed work in accordance with the direction of the Commission.

(b) When the accumulated amount of all other such contracts or agreements awarded to a single contractor in any calendar year has exceeded $100,000, a list of such contracts, including any other offers received, shall be filed, in accordance with the requirements of § 3.5 of this Title, with the Commission by March 1 of the succeeding year.

481.2 Subcontract on cost-plus basis. In view of the fact that a so-called subcontract covering any part of the work to be performed under a cost-plus contract or agreement entered into by a public utility company is, in effect, the contract or agreement of the public utility company within the meaning of § 115 of the Public Service Law, every such subcontract on a cost-plus basis, proposed to be let under a principal contract or agreement which is subject to § 481.1 hereof, shall be filed, in accordance with the requirements of § 3.5 of this Title, with the commission in accordance with the requirements of provisions of such section. All such contracts or agreements shall contain suitable provisions to give effect to the provisions of this Part. This section shall not apply to a subcontract which provides by its terms that the maximum payment thereunder shall not exceed the sum of $5,000.

481.3 Emergency contract. In case a storm, flood, accident or similar emergency requires that a contract or agreement be made without complying with the foregoing provisions of this Part in order to maintain or restore the company's service, immediate notice shall be given to the Commission by telephone of the making of such contract or agreement, and a copy thereof shall be filed, in accordance with the requirements of § 3.5 of this Title, as soon as possible, but not later than 10 days after the making thereof, and such contract or agreement shall be exempted from the other provisions of this Part.

481.4 Quarterly filing of contract.

Every public utility company subject to the jurisdiction of this commission shall file with this commission quarterly, one copy of every contract or agreement for the construction, improvement, extension or maintenance of its plant, works or system exceeding in amount $1,000,000 in any calendar year, and a list of any other offers received.

481.5 Waiver of rule.

Any public utility company may apply to this commission for a waiver or modification of all or part of the requirements of this Part upon a
showing that compliance therewith would be impracticable or unduly burdensome in connection with a particular project, contract or agreement.

APPENDIX B-1

Utility Name

Certificate of Compliance
New Residential Construction

The undersigned certifies that the

Utility Name

Certificate of Compliance
New Residential Construction

The undersigned certifies that the

---1-or 2-family residence

---multi-family residence

at (location)

is or will be, not later than 30 days after time of occupancy, in compliance with one of the following statute provisions (check one):

---Part 1: E101.6

---Part 3

---Part 4

---Part 5

---Appendix A, Opinion 77-10, Minimum Insulation Standards, New York State Public Service Commission (applies only to buildings on which construction began between April 1, 1977 and January 1, 1979).

It is understood that electric and/or gas service will, depending on the applicable circumstances, not be connected, be subject to a 25-percent surcharge on the utility bill until all violations are eliminated, or be disconnected, if, upon inspection, the structure is found not to be in compliance with the conditions set forth above.

The undersigned certifies that a properly executed copy of this certificate will be delivered to the owner prior to closing, and further attests that all statements and representations contained in this certificate are true and accurate.

-------------------      ----------------------------------------

Date     Signature of Builder or Contractor

APPENDIX B-2

Utility Name

Certificate of Compliance
Dwelling Converting to Gas or Electric Space Heat

One of the following certificates shall be completed and signed:

1. I ________________________(owner) am aware that the Minimum Insulation Standards for Dwellings Converting to Gas or Electric Space Heat require my house to have storm doors, storm windows and at least R-19 (usually six inches) roof insulation. I certify that my building at (location) meets those requirements, or that I have obtained a waiver; and I understand that should my building be found not in compliance, a 25-percent surcharge on my utility bill may
be imposed or electric or gas service may be discontinued.
The undersigned attests that all statements and representations contained in this certificate are true and accurate.

Signature of Owner

Address

2. I have inspected the building at _____________________ (location) owned by _____________________ (owner) and certify that it meets the requirements of the Minimum Insulation Standards for Dwellings Converting to Gas or Electric Space Heat.
The undersigned certifies that a properly executed copy of this certificate will be delivered to the owner) and further attests that all statements and representations contained in this certificate are true and accurate.

Date

Signature of Contractor or Utility Representative

APPENDIX 14-B
QUALIFICATION OF PIPE

I. Listed Pipe Specifications. See Section 10.3 of this Title for effective edition of each of the listed pipe specifications. Refer to 16 NYCRR 10.3 for applicable editions.


II. Steel pipe of unknown or unlisted specification.
A. Bending properties. For pipe 2 inches (51 millimeters) or less in diameter, a length of pipe must be cold bent through at least 90 degrees
around a cylindrical mandrel that has a diameter 12 times the diameter of the pipe, without developing cracks at any portion and without opening the longitudinal weld.

For pipe more than 2 inches (51 millimeters) in diameter, the pipe must meet the requirements of the flattening tests set forth in ASTM Specification A53/A53M (as described in section 10.3 of this Title), except that the number of tests must be at least equal to the minimum required in paragraph II-D of this appendix to determine yield strength.

B. Weldability. A girth weld must be made in the pipe by a welder who is qualified under this Part. The weld must be made under the most severe conditions under which welding will be allowed in the field and by means of the same procedure that will be used in the field. On pipe more than 4 inches (102 millimeters) in diameter, at least one test weld must be made for each 100 lengths of pipe. On pipe 4 inches (102 millimeters) or less in diameter, at least one test weld must be made for each 400 lengths of pipe. The weld must be tested in accordance with API Standard 1104. If the requirements of API Standard 1104 cannot be met, weldability may be established by making chemical tests for carbon and manganese, and proceeding in accordance with section IX of the ASME Boiler and Pressure Vessel Code. The same number of chemical tests must be made as are required for testing girth weld.

C. Inspection. The pipe must be clean enough to permit adequate inspection. It must be visually inspected to ensure that it is reasonably round and straight and there are no defects which might impair the strength or tightness of the pipe.

D. Tensile properties. If the tensile properties of the pipe are not known, the minimum yield strength may be taken as 24,000 PSI (165 MPa) or less, or the tensile properties may be established by performing tensile tests as set forth in API Specification 5L. All test specimens shall be selected at random and the following number of tests must be performed:

   Number of Tensile Tests-All Sizes
   10 lengths or less................. 1 set of tests for each length.
   11 to 100 lengths.................. 1 set of tests for each 5 lengths, but not less than 10 tests.
   Over 100 lengths.................. 1 set of tests for each 10 lengths, but not less than 20 tests.

   If the yield-tensile ratio, based on the properties determined by those tests, exceeds 0.85, the pipe may be used only as provided in subdivision 255.55(c).

III. Steel pipe manufactured before November 12, 1970, to earlier editions of listed specifications. Steel pipe manufactured before November 12, 1970, in accordance with a specification of which a later edition is listed in section I of this Appendix, is qualified for use under this Part if the following requirements are met:

A. Inspection. The pipe must be clean enough to permit adequate inspection. It must be visually inspected to ensure that it is reasonably round and straight and that there are no defects which might impair the strength or tightness of the pipe.

B. Similarity of specification requirements. The edition of the listed specification under which the pipe was manufactured must have substantially the same requirements with respect to the following properties as a later edition of that specification listed in section I of this appendix:
(1) Physical (mechanical) properties of pipe, including yield and tensile strength, elongation, and yield to tensile ratio, and testing requirements to verify those properties.

(2) Chemical properties of pipe and testing requirements to verify those properties.

C. Inspection or test of welded pipe. On pipe with welded seams, one of the following requirements must be met:

(1) The edition of the listed specification to which the pipe was manufactured must have substantially the same requirements with respect to nondestructive inspection of welded seams and the standards for acceptance or rejection and repair as a later edition of the specification listed in section I of this Appendix.

(2) The pipe must be tested in accordance with this Part to at least 1.25 times the maximum allowable operating pressure if it is to be installed in a class 1 location and to at least 1.5 times the maximum allowable operating pressure if it is to be installed in a class 2, 3, or 4 location. Notwithstanding any shorter time period permitted under this Part, the test pressure must be maintained for at least 8 hours.

APPENDIX 14-C
END PREPARATION FOR BUTT WELDING SECTIONS HAVING UNEQUAL THICKNESSES AND UNEQUAL SPECIFIED YIELD STRENGTHS
Explanatory Notes

General

1. The sketches in Figure 523-B illustrate acceptable preparations for joining pipe ends by butt welding for materials having unequal wall thicknesses and/or with unequal strengths (minimum specified yield strength).

2. The thickness of the sections to be joined, beyond the joint design area, shall comply with the design requirements of this Part.

3. When the minimum specified yield strengths of the sections to be joined are unequal, the deposited weld metal shall have mechanical properties at least equal to those of the section having the higher strength.

4. The transition between ends of unequal thickness may be accomplished by taper or welding as illustrated or by means of a prefabricated transition ring.

5. Sharp notches or grooves at the edge of the weld where it joins a slanted surface shall be avoided.

6. For joining unequal thicknesses of equal specified yield strengths, the rules given herein apply, except there is no minimum angle limit to the taper.

7. THE MAXIMUM THICKNESS t(d) FOR DESIGN PURPOSES SHALL NOT BE GREATER THAN 1.5t.

Internal Diameters Unequal

A. For piping to operate at hoop stresses of less than 20 percent of specified minimum yield strength, if the nominal wall thicknesses of the adjoining ends do not vary more than 1/8-inch, no special treatment is necessary provided adequate penetration and bond is accomplished in welding. If the offset is greater than 1/8-inch the following paragraphs will apply.

FOR STRESS LEVELS ABOVE 20 PERCENT OF THE MINIMUM SPECIFIED YIELD STRENGTH.

B. If the nominal wall thicknesses of the adjoining ends do not vary
more than 3/32 inch, no special treatment is necessary provided full penetration and bond is accomplished in welding. See sketch (a).

C. Where the nominal internal offset is more than 3/32 inch and there is no access to the inside of the pipe for welding, the transition must be made by a taper cut on the inside end of the thicker section. See sketch (b). The taper angle shall not be steeper than 30 deg. nor less than 14 deg.

D. Where the nominal internal offset is more than 3/32 inch, but does not exceed 1/2 the thinner section, and there is access to the inside of the pipe for welding, the transition may be made with a tapered weld as shown in sketch (c). The land on the thicker section must be equal to the offset plus the land on abutting section.

E. Where the nominal internal offset is more than 1/2 the thinner section, and there is access to the inside of the pipe for welding, the transition may be made with a taper cut on the inside end of the thicker section as shown in sketch (b), or by a combination taper weld to 1/2 the thinner section and a taper cut from that point as shown in sketch (d).

External Diameters Unequal

F. Where the external offset does not exceed 1/2 the thinner section, the transition may be made by welding as shown by sketch (e), provided the angle of rise of the weld surface does not exceed 30 deg. and both bevel edges are properly fused.

G. Where there is an external offset exceeding 1/2 the thinner section, that portion of the offset over 1/2t shall be tapered as shown in sketch (f).

Internal and External Diameters Unequal

H. Where there is both an internal and an external offset, the joint design shall be a combination of sketch (a to f, i.e., Fig. g). Particular attention must be paid to proper alignment under these conditions.

FIGURE 823B
ACCEPTABLE DESIGN FOR UNEQUAL WALL THICKNESS

| 1 |
| 2 |
| 3 | COPY OF FIGURE 823B |
| 4 | ACCEPTABLE DESIGN FOR UNEQUAL WALL THICKNESS |
| 5 | MAY BE OBTAINED FROM: |
| 6 | NYS LEGISLATIVE BILL DRAFTING COMMISSION |
| 7 | CONTACT: LEGISLATIVE RETRIEVAL SYSTEM'S HELPLINE |
| 8 |
| 9 |
| 10 |

.SO DOC 16B-AP14D
APPENDIX 14-D
NYCRR

I. Criteria for cathodic protection.

A. Steel, cast iron, and ductile iron structures.

(1) A negative (cathodic) voltage of at least 0.85 volt, with reference to a saturated copper-copper sulfate half cell. Determination of this voltage must be made with the protective current applied, and in accordance with sections II and IV of this Appendix.
(2) A negative (cathodic) voltage shift of at least 300 millivolts. Determination of this voltage shift must be made with the protective current applied, and in accordance with sections II and IV of this Appendix. The criterion of voltage shift applies to structures not in contact with metals of different anodic potentials.

(3) A minimum negative (cathodic) polarization voltage shift of 100 millivolts. This polarization voltage shift must be determined in accordance with sections III and IV of this Appendix.

(4) A voltage at least as negative (cathodic) as that originally established at the beginning of the Tafel segments of the E-log-I curve. This voltage must be measured in accordance with section IV of this Appendix.

(5) A net protective current from the electrolyte into the structure surface as measured by an earth current technique applied at predetermined current discharge (anodic) points of the structure.

B. Aluminum structures.

(1) Except as provided in subparagraphs (3) and (4) of this paragraph, a minimum negative (cathodic) voltage shift of 150 millivolts, produced by the application of protective current. The voltage shift must be determined in accordance with sections II and IV of this Appendix.

(2) Except as provided in subparagraphs (3) and (4) of this paragraph, a minimum negative (cathodic) polarization voltage shift of 100 millivolts. This polarization voltage shift must be determined in accordance with sections III and IV of this Appendix.

(3) Notwithstanding the alternative minimum criteria in subparagraphs (1) and (2) of this paragraph, aluminum, if cathodically protected at voltages in excess of 1.20 volts as measured with reference to a copper-copper sulfate half cell, in accordance with section IV of this Appendix, and compensated for the voltage (IR) drops other than those across the structure-electrolyte boundary may suffer corrosion resulting from the build-up of alkali on the metal surface. A voltage in excess of 1.20 volts may not be used unless previous test results indicate no appreciable corrosion will occur in the particular environment.

(4) Since aluminum may suffer from corrosion under high pH conditions, and since application of cathodic protection tends to increase the pH at the metal surface, careful investigation or testing must be made before applying cathodic protection to stop pitting attack on aluminum structures in environments with a natural pH in excess of 8.

C. Copper structures. A minimum negative (cathodic) polarization voltage shift of 100 millivolts. This polarization voltage shift must be determined in accordance with sections III and IV of this Appendix.

D. Metals of different anodic potentials. A negative (cathodic) voltage, measured in accordance with section IV of this Appendix, equal to that required for the most anodic metal in the system must be maintained. If amphoteric structures are involved that could be damaged by high alkalinity covered by subparagraphs (3) and (4) of paragraph B of this section, they must be electrically isolated with insulating
flanges or the equivalent.

II. Interpretation of voltage measurement. Voltage (IR) drops other than those across the structure-electrolyte boundary must be considered for valid interpretation of the voltage measurement in paragraphs A(1) and (2) and paragraph B(1) of section I of this Appendix.

III. Determination of a polarization voltage shift. The polarization voltage shift must be determined by interrupting the protective current and measuring the polarization decay. When the current is initially interrupted, an immediate voltage shift occurs. The voltage reading after the immediate shift must be used as the base reading from which to measure polarization decay in paragraphs A(3), B(2) and C of section I of this Appendix.

IV. Reference half cells.

A. Except as provided in paragraphs B and C of this section, negative (cathodic) voltage must be measured between the structure surface and a saturated copper-copper sulfate half cell contacting the electrolyte.

B. Other standard reference half cells may be substituted for the saturated copper-copper sulfate half cell. Two commonly used reference half cells are listed below along with their voltage equivalent to -0.85 volt as referred to a saturated copper-copper sulfate half cell:

(1) Saturated KCl calomel half cell: -0.78 vol*.

* So in original. "vol" should be "volt".

(2) Silver-silver chloride half cell used in sea water: -0.80 volt.

C. In addition to the standard reference half cells, an alternate metallic material or structure may be used in place of the saturated copper-copper sulfate half cell if its potential stability is assured and if its voltage equivalent referred to a saturated copper-copper sulfate half cell is established.

APPENDIX 14-E

Guidance on Determining High Consequence Areas and on Carrying out Requirements in the Integrity Management Rule

I. Guidance on Determining a High Consequence Area

To determine which segments of an operator's transmission pipeline system are covered for purposes of the integrity management program requirements, an operator must identify the high consequence areas. An operator must use the methods defined in paragraph (1) or (2) of subdivision (f) of section 255.903 of this Part to identify a high consequence area. An operator may apply one method to its entire pipeline system, or an operator may apply one method to individual portions of the pipeline system. (Refer to Figure 1 below for a diagram of a high consequence area.)

FIGURE 1
II. Guidance on Assessment Methods and Additional Preventive and Mitigative Measures for Transmission Pipelines

(a) Table 1 below gives guidance to help an operator implement requirements on additional preventive and mitigative measures for addressing time dependent and independent threats for a transmission pipeline operating below 30% SMYS not in a High Consequence Area (i.e. outside of potential impact circle) but located within a Class 3 or Class 4 Location.

(b) Table 2 below gives guidance to help an operator implement requirements on assessment methods for addressing time dependent and independent threats for a transmission pipeline in a High Consequence Area.

(c) Table 3 below gives guidance on preventative & mitigative measures addressing time dependent and independent threats for transmission pipelines that operate below 30% SMYS, in High Consequence Areas.

<table>
<thead>
<tr>
<th>Threat</th>
<th>Existing Part 255 Requirements</th>
<th>Additional (to 255 requirements)</th>
</tr>
</thead>
<tbody>
<tr>
<td>External</td>
<td>(Column 2)</td>
<td>(Column 3)</td>
</tr>
<tr>
<td>Corrosion</td>
<td>Primary</td>
<td>Secondary</td>
</tr>
<tr>
<td>455-(Gen.Post 1971)</td>
<td>603-(Gen Oper'n)</td>
<td>For Cathodically Protected Transmission Pipeline:</td>
</tr>
<tr>
<td>459-(Examination)</td>
<td>613-(Surveillance)</td>
<td>For Unprotected Transmission Pipelines or for Cathodically Protected Pipe where Electrical Surveys are Impractical:</td>
</tr>
<tr>
<td>461-(Ext. Coating)</td>
<td>613-(Surveillance)</td>
<td>o Perform leak surveys</td>
</tr>
<tr>
<td>463-(CP)</td>
<td>613-(Surveillance)</td>
<td></td>
</tr>
<tr>
<td>465-(Monitoring)</td>
<td>613-(Surveillance)</td>
<td></td>
</tr>
<tr>
<td>467-(Elect isolation)</td>
<td>613-(Surveillance)</td>
<td></td>
</tr>
<tr>
<td>469-(Test Stations)</td>
<td>613-(Surveillance)</td>
<td></td>
</tr>
<tr>
<td>471-(Test Leads)</td>
<td>613-(Surveillance)</td>
<td></td>
</tr>
<tr>
<td>473-(Interference)</td>
<td>613-(Surveillance)</td>
<td></td>
</tr>
<tr>
<td>475-(Gen IC)</td>
<td>603-(Gen Oper'n)</td>
<td></td>
</tr>
<tr>
<td>477-(IC monitoring)</td>
<td>603-(Gen Oper'n)</td>
<td></td>
</tr>
<tr>
<td>481-(Atmospheric)</td>
<td>613-(Surveillance)</td>
<td></td>
</tr>
<tr>
<td>483-(Remedial)</td>
<td>613-(Surveillance)</td>
<td></td>
</tr>
<tr>
<td>705-(Patrol)</td>
<td>613-(Surveillance)</td>
<td></td>
</tr>
<tr>
<td>706-(Leak Survey)</td>
<td>613-(Surveillance)</td>
<td></td>
</tr>
<tr>
<td>quarterly</td>
<td>711-(Repair-gen.)</td>
<td></td>
</tr>
<tr>
<td>717-(Repair-perm.)</td>
<td>613-(Surveillance)</td>
<td></td>
</tr>
</tbody>
</table>

Internal Corrosion

475-(Gen IC) | 53(a)-(Materials) | o Perform semi-annual leak surveys. |
477-(IC monitoring) | 603-(Gen Oper'n) | |
485-(Remedial) | 613-(Surveillance) | |
705-(Patrol) | 613-(Surveillance) | |
706-(Leak Survey) | 613-(Surveillance) | |
711-(Repair-gen.) | 613-(Surveillance) | |

Damage

615-(Emerg. Plan) o Participation in state one-call system

and

o Use of qualified operator employees and contractors to perform marking and locating of buried structures and in direct supervision of excavation work,

AND

o Either monitoring of excavations near operator's transmission pipelines, or bi-monthly patrol of transmission pipelines in class 3 and 4 locations. Any indications of un-reported construction activity would require a follow up investigation to determine if mechanical damage occurred.

Table 2
Assessment Requirements for Transmission Pipelines in HCAs
(Re-assessment intervals are the maximum allowed)

<table>
<thead>
<tr>
<th>At or Above 50% SMYS</th>
<th>At or Above 30% SMYS up to 50% SMYS</th>
<th>Below 30% SMYS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Re-Assessment Method</td>
<td>Interval Method</td>
<td>Max</td>
</tr>
<tr>
<td>Assessment Method (See Note 3)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Duration</td>
<td>CDA</td>
<td>Action</td>
</tr>
<tr>
<td>----------</td>
<td>-----</td>
<td>--------</td>
</tr>
<tr>
<td>7 years</td>
<td></td>
<td>Pressure Test or ILI Test (See Note 1)</td>
</tr>
<tr>
<td>10 years</td>
<td>CDA</td>
<td>Repeat inspection cycle every 10 years</td>
</tr>
<tr>
<td>10 years</td>
<td></td>
<td>ILI or DA or Pressure Test</td>
</tr>
<tr>
<td>10 years</td>
<td></td>
<td>Direct Assessment</td>
</tr>
<tr>
<td>Threat Preventive</td>
<td>Existing 255 Requirements</td>
<td>Additional (to 255 requirements)</td>
</tr>
<tr>
<td>------------------</td>
<td>----------------------------</td>
<td>----------------------------------</td>
</tr>
<tr>
<td></td>
<td>Primary</td>
<td>Secondary</td>
</tr>
<tr>
<td></td>
<td>455-(Gen. Post 1971)</td>
<td>463-(CP)</td>
</tr>
<tr>
<td></td>
<td>457-(Gen. Post 1971)</td>
<td>465-(Monitoring)</td>
</tr>
<tr>
<td></td>
<td>459-(Examination)</td>
<td>467-(Elect. Isolation)</td>
</tr>
</tbody>
</table>
For Unprotected Transmission Pipelines or Cathodically Protected Pipe where Electrical Surveys are Impracticable:
- Conduct quarterly leak surveys AND
- Every 1 1/2 years, determine areas of active corrosion by evaluation of leak repair and inspection records, corrosion monitoring records, exposed pipe inspection records, and the pipeline environment.

- Obtain and review gas analysis data each calendar year for corrosive agents from transmission pipelines in HCAs.
- Periodic testing of fluid removed from pipelines. Specifically, once each calendar year from each storage field that may affect transmission pipelines in HCAs, AND
- At least every 7 years, integrated data obtained with applicable internal corrosion leak records, incident reports, safety related condition reports, repair records, patrol records, exposed pipe reports, and test records.

|--------------------|--------------|---------------------|----------------|----------------|--------------|----------------|--------------------|----------------|-----------------|------------------|-----------------|-----------------|-------------------|---------------|-------------------|-------------------|-----------------|-------------------|-------------------|-----------------|
locating of buried structures and in direct supervision of excavation work, AND - Either monitoring of excavations near operator's transmission pipelines, or bi-monthly patrol of transmission pipelines in HCAs or class 3 and 4 locations. Any indications of unreported construction activity would require a follow up investigation to determine if mechanical damage occurred.

APPENDIX 14-F
QUALIFICATION OF WELDERS FOR CERTAIN DISTRIBUTION MAINS AND SERVICE LINES

I. Basic test. The test is made on pipe 12 inches or less in diameter. The test weld must be made with the pipe in a horizontal fixed position so that the test weld includes at least one section of overhead position welding. The beveling, root opening, and other details must conform to the specifications of the procedure under which the welder is being qualified. Upon completion, the test weld is cut into four coupons and subjected to a root bend test. If, as a result of this test, two or more of the four coupons develop a crack in the weld material, or between the weld material and base metal, that is more than 1/8-inch long in any direction, the weld is unacceptable. Cracks that occur on the corner of the specimen during testing are not considered. A welder who successfully passes a butt-weld qualification test under this section shall be qualified to weld on all pipe diameters less than or equal to 12 inches.

II. Additional tests for welders of service line connections to mains. A service line connection fitting is welded to a pipe section with the same diameter as a typical main. The weld is made in the same position as it is made in the field. The weld is unacceptable if it shows a serious undercutting or if it has rolled edges. The weld is tested by attempting to break the fitting off the run pipe. The weld is unacceptable if it breaks and shows incomplete fusion, overlap, or poor penetration at the junction of the fitting and run pipe.

III. Periodic tests for welders of small service lines. Two samples of the welder's work, each about 8 inches long with the weld located approximately in the center, are cut from steel service line and tested as follows:

(1) One sample is centered in a guided bend testing machine and bent to the contour of the die for a distance of 2 inches on each side of the weld. If the sample shows any breaks or cracks after removal from the bending machine, it is unacceptable.

(2) The ends of the second sample are flattened and the entire joint
subjected to a tensile strength test. If failure occurs adjacent to oil in the weld metal, the weld is unacceptable. If a tensile strength testing machine is not available, this sample must also pass the bending test prescribed in subparagraph (1) of this paragraph.

APPENDIX 14-G
EXAMPLES OF ILLUSTRATING THE REINFORCEMENT OF WELDED BRANCH CONNECTIONS

Example 1
An 8 inch outlet is welded into a 24 inch header. The header material is API 5LX 46 with 5/16 inch wall. The outlet is API 5L Grade B (Seamless) Sched. 40 with 0.322 inch wall. The working pressure is 650 PSI. The Class Location is 1. The joint efficiency is 1.00. The temperature is 100°F. Design Factors F=0.60, E=1.00, T=1.00. For dimensions see Figure for Example 1, Appendix 14-G.

Header:
Nominal wall thickness:
\[ t = \frac{P D}{650 \times 24} = 0.283 \text{ inch} \]

\[ \text{Excess thickness in header wall (H-t)} = 0.312 - 0.283 = 0.029 \text{ inch} \]

Outlet:
Nominal wall thickness:
\[ t_{[b]} = \frac{650 \times 8.625}{2 x 46000} = 0.133 \text{ inch} \]

\[ \text{Excess thickness in outlet wall (B-t}_{[b]} \text{)} = 0.322-0.133 = 0.189 \text{ inch} \]

\[ d = \text{diameter of opening} = 8.625-(2 \times 0.322) = 7.981 \text{ inch} \]

Reinforcement required.
\[ A[R] = d \times t = 7.981 \times 0.283 = 2.26 \text{ square inch} \]

Reinforcement provided:
\[ A[1] = (H-t)d = 0.029 \times 7.981 = 0.23 \text{ square inch} \]

Effective area in outlet:
Height (L) 2-1/2 B + M (assume 1/4 inch pad) = 2-1/2 \times 0.322 + 0.25 = 1.05 inches or 2-1/2 H = 2.5 \times 0.312 = 0.78 inch.
Use 0.78 inch.
\[ A[2] = 2(B-t_{[b]} \text{)}L = 2 \times 0.189 \times 0.78 = 0.295 \text{ sq. in.} \]
This must be multiplied by 35000/46000
Effective A[2] = 0.295 x 35000 = 0.22 sq. in.

\[ A[3] \text{ required} \]
\[ 2.26 - 0.23 - 0.22 = 1.81 \text{ sq. in.} \]

Use reinf. pl. 1/4 inch thick (minimum practicable) x 15.5 inch diameter
Area (15.50 - 8.62) x 0.25 = 1.72 sq. in.
Fillet welds (assuming two 1/4 inch welds each side)
0.25 x 0.25 x 0.50 x 2 x 2 = 0.12 sq. in.
Total A[3] provided 1.84 sq. in.

Example 2
An 16 inch outlet is welded into a 24 inch header. The header material is API 5LX46 with 5/16 inch wall. The outlet is API 5L Grade B
(Seamless) Sched. 20 with 0.312 wall. The working pressure is 650 PSI. The Class Location is 1. The reinforcement must be of the complete encirclement type. The joint efficiency is 1.00. The temperature is 100°F. Design Factors F = 0.60, E = 1.00, T = 1.00. For dimensions see Figure for Example 2 in Appendix 14-G.

**Header:**

Nominal wall thickness:

\[
t = \frac{PD}{2SFET} = \frac{650 \times 24}{2 \times 46000 \times 0.60 \times 1.00 \times 1.00} = 0.283 \text{ inch}
\]

Excess thickness is header wall (H-t) = 0.020 inch

**Outlet:**

Nominal wall thickness:

\[
t[b] = \frac{650 \times 16}{2 \times 35000 \times 0.60 \times 1.00 \times 1.00} = 0.248 \text{ inch}
\]

Excess thickness in outlet wall (B-t[b]) = 0.312 - 0.248 = 0.064 inch

\[d = \text{diameter of opening} = 16.000 - (2 \times 0.312) = 15.376 \text{ inches}\]

Reinforcement required:

\[A[R] = d \times t = 15.376 \times 0.283 = 4.35 \text{ sq. in.}\]

Reinforcement provided:

\[A[1] = (H - t)d = 0.029 \times 15.376 = 0.44 \text{ sq. in.}\]

Effective area in outlet:

\[A[2] = 2(B-t[b])L = 2 \times 0.064 \times 0.78 = 0.10 \text{ sq. in.}\]

This must be multiplied by 35000/46000

\[\text{Effective } A[2] = 0.10 \times 35000 = 0.08 \text{ sq. in.}\]

\[46000\]


Approx. required thickness of reinforcement \[3.83/(30 - 16) = 0.27 \text{ inch}\]

Use 5/16 inch pl. net reqd. length (neglecting welds) \[3.83/0.312 = 12.3 \text{ inch}\]

Use plate 29 inches long

\[A[3] - 0.312 \times (29 - 16) = 4.05 \text{ sq. in.}\]

Two 1/4 inch welds to outlet

\[2 \times 0.25 \times 0.25 \times 0.50 = 0.06 \text{ sq. in.}\]

\[A[3] \text{ provided} = 4.11 \text{ sq. in.}\]

The use of end welds is optional.
APPENDIX 7-A
FORM A
MONTHLY REPORT OF DISPLACEMENT GAS METERS OUT-TESTED AND SEALED
TO: PUBLIC SERVICE COMMISSIONER

Sheet_____of______

State of New York
MONTHLY REPORT OF DISPLACEMENT GAS METERS OUT-TESTED AND SEALED
By and For

(NAME OF UTILITY)
FOR THE MONTH OF _______________ 19_______
PREINSTALLATION AND FIELD TESTS

List Separately By Number of Meters Tested

<table>
<thead>
<tr>
<th>Manufacturer &amp; Type</th>
<th>Size</th>
<th>New</th>
<th>Removed &amp; Repaired</th>
<th>Removed - Found</th>
<th>All</th>
<th>Total</th>
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<tbody>
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</tbody>
</table>

Total

The Number of Auxiliary Devices For Displacement Gas Meters Inspected (and Adjusted) was _______________ 19_______

Date _______________ 19_______ Signed By __________________
Title __________________

FORM B
GAS METER IN-TEST REPORT
TO: PUBLIC SERVICE COMMISSION
State of New York
GAS METER IN-TEST REPORT

BY ________________________________
(NAME OF UTILITY)

CHECK RATE IN-TESTS MADE ON GAS METERS RATED 500 CFH OR LESS
FOR THE PERIOD _________ 19 ___ THRU ___________ 19 ___

CATEGORY A [ ]
CATEGORY B [ ]
CATEGORY C [ ]
NOT SEGREGATED BY REGISTRATION [ ]

TEST GROUP ______________________________

Total Number of such Meters in Service on _________ 19 ___ Was______________________________

By Age Group Designation

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<th>10</th>
<th>11</th>
<th>12</th>
<th>TOTAL &amp; Over</th>
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</tbody>
</table>
Percent of meters tested where open and check rate proofs differ by more than 1 % __________________
Date ____________________ 19 ____   Signed By ___________________________
Title _______________________________
FORM C
TO: PUBLIC SERVICE COMMISSION
State of New York
GAS METER IN-TEST REPORT
Check Rate In-test made on meters rated 500 cfh or less
By_____________________________for Calendar Year 19________
(Name of Utility)
Kind of Gas:
Test Group: _______ Test Category: () Not Segregated
() Category A
() Category C
() ________

<table>
<thead>
<tr>
<th>METER</th>
<th>NUMBER IN SERVICE</th>
</tr>
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<tbody>
<tr>
<td>MAKE AND</td>
<td>Jan. 1</td>
</tr>
<tr>
<td>SIZE</td>
<td>19____</td>
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</table>
## METER PERFORMANCE

<table>
<thead>
<tr>
<th>Required</th>
<th>Tested</th>
<th>Under 99</th>
<th>Over 102</th>
<th>Inoperable</th>
<th>External Leak</th>
</tr>
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<tbody>
<tr>
<td>IN 19__</td>
<td>NUMBER</td>
<td>NUMBER</td>
<td>%</td>
<td>NUMBER</td>
<td>NUMBER</td>
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</table>

### TEST SCHEDULE

For Year ______________________________

<table>
<thead>
<tr>
<th>Required</th>
<th>%</th>
<th>NUMBER*</th>
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<tr>
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</tbody>
</table>

*If number will differ from the number required explain on cover letter.

The above is a correct summary of the alternate in-tests made by this utility. All tests were conducted in accordance with the rules of the Public Service Commission.

Signed by: _______________________
Title: ___________________________
Sheet ____ of ____

FORM D
TO: PUBLIC SERVICE COMMISSION
State of New York
GAS METER IN-TEST REPORT
Check Rate in-tests made on meters rated 500 cfh or less

By __________________ For Calendar Year ____________________________

<table>
<thead>
<tr>
<th>METER</th>
<th>NUMBER IN SERVICE</th>
</tr>
</thead>
<tbody>
<tr>
<td>MAKE AND</td>
<td>JAN. 1</td>
</tr>
<tr>
<td>SIZE</td>
<td>19__</td>
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</tbody>
</table>

________________________________________________________________________
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________________________________________________________________________

Total __________________________________________________________________

CATEGORY B

METER PERFORMANCE

<table>
<thead>
<tr>
<th>METERS</th>
<th>PERCENT PROOF</th>
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<tr>
<td>TESTED</td>
<td>UNDER 90</td>
</tr>
<tr>
<td>NUMBER</td>
<td>NUMBER %</td>
</tr>
</tbody>
</table>

________________________________________________________________________
________________________________________________________________________
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________________________________________________________________________

Total __________________________________________________________________

Kind of Gas: ________________

INSPECTION AND REMOVAL REPORT

<table>
<thead>
<tr>
<th>METERS</th>
<th>UNSERV-</th>
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<tbody>
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<td>NUMBER</td>
<td>NUMBER</td>
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</tbody>
</table>
The above is a correct summary of the alternate in-tests made by this utility. All tests were conducted in accordance with the rules of the Public Service Commission.

Signed by: _________________________  
Title: _____________________________  
FORM E

G-204

Form E  
TO: PUBLIC SERVICE COMMISSION  
State of New York  
GAS METER IN-TEST REPORT

By _____________________________  
(Name of Utility)  
CHECK RATE IN-TESTS ON GAS METERS RATED OVER 500 CFH  
FOR THE PERIOD _________________________ 19__ THRU ________________ 19__  
TEST GROUP _____________________________________________________________  
Total Number of such Meters in Service on __________ 19__ was____________  

| Percent Proof | 1- | 3- | 5- | 7- | 9- | 11- | 13- | 15- | 17- | 19- | 21- | 23 | Total |
|---------------|----|----|----|----|----|-----|-----|-----|-----|-----|-----|----|-----|-------|
| (≈0.25%)      | 2  | 4  | 6  | 8  | 10 | 12  | 14  | 16  | 18  | 20  | 22  | 23 | Over |
| 94.0 or less  |    |    |    |    |    |     |     |     |     |     |     |    |      |
| 94.5          |    |    |    |    |    |     |     |     |     |     |     |    |      |
| 95.0          |    |    |    |    |    |     |     |     |     |     |     |    |      |
| 95.5          |    |    |    |    |    |     |     |     |     |     |     |    |      |
| 96.0          |    |    |    |    |    |     |     |     |     |     |     |    |      |
| 96.5          |    |    |    |    |    |     |     |     |     |     |     |    |      |
| 97.0          |    |    |    |    |    |     |     |     |     |     |     |    |      |
| 97.5          |    |    |    |    |    |     |     |     |     |     |     |    |      |
| 98.0          |    |    |    |    |    |     |     |     |     |     |     |    |      |
| 98.5          |    |    |    |    |    |     |     |     |     |     |     |    |      |
| 99.0          |    |    |    |    |    |     |     |     |     |     |     |    |      |
| 99.5          |    |    |    |    |    |     |     |     |     |     |     |    |      |
| 100.0         |    |    |    |    |    |     |     |     |     |     |     |    |      |
| 100.5         |    |    |    |    |    |     |     |     |     |     |     |    |      |
Percent of meters tested where open and check rate proofs differ by more than 1% = _________________________

Date__________________________ 19__  Signed by __________________________

Title ______________________________

Sheet ________ of ______

FORM F

TO: PUBLIC SERVICE COMMISSION
State of New York
GAS METER IN-TEST REPORT

Check Rate in-tests on meters rated over 500 CFH

By _______________________________ (Name of Utility) for Calendar Year 19__

Test Group: ______________________ Kind of Gas:

<table>
<thead>
<tr>
<th>Meter Make and Size</th>
<th>Number in Service Jan. 1</th>
<th>Dec. 31</th>
<th>Number Scheduled in 19__</th>
<th>Meters Tested in 19__</th>
<th>Inoperable Number</th>
<th>External Leak Number</th>
</tr>
</thead>
<tbody>
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</tbody>
</table>

INOPERABLE

EXTERNAL LEAK

TOTAL
The above is a correct summary of the alternate in-tests made by this utility. All tests were conducted in accordance with the rules of the Public Service Commission.

{   } Natural       {   } Mixed
{   } Manufactured  {   } __________________________

Meter Performance

Three Year Summary 19__ Through 19__

<table>
<thead>
<tr>
<th>Total</th>
<th>Percent Proof</th>
<th>Test Schedule</th>
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<tbody>
<tr>
<td>Meters</td>
<td>Under 98</td>
<td>Over 102</td>
</tr>
<tr>
<td>Tested</td>
<td>Number %</td>
<td>Number %</td>
</tr>
</tbody>
</table>

Total

Calculated Test Requirements for Year 19__

Signed by: _______________________________________________
Title ____________________________________________________

**TABLE 1**

**TEST RATES FOR CATEGORY A**

Horizontal Axis is Percentage of Meters with a Proof of less than 98%
Vertical Axis is Percentage of meters with proof of more than 102%

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
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<td>5.87</td>
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TABLE 2
TEST RATE FOR CATEGORY C
Horizontal Axis is Percentage of Meter with a Proof of less than 98%
Vertical Axis is Percentage of meters with a Proof of more than 102%
The percentage of meters with a proof of less than 98% and over 102% shall be determined to the nearest .01% and the table property interpolated to the nearest .01% to determine the exact test rate.

APPENDIX 7-B
FORM A

LIST OF MUNICIPALITIES

Required minimum County in which Village, Town or
Village, located City Kings Type of gas dis-

Brooklyn Union Gas Company, C. New (former) Mixed 975

value (BTU per cubic foot)
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<td></td>
<td>North Tonawanda</td>
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<td>Pennsylvania Gas Co., Inc.</td>
<td>Chautauqua</td>
<td>Chautauqua</td>
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<td>Rochester (part)</td>
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<td>St. Lawrence Gas Company, Inc.</td>
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<td>Breather</td>
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<tr>
<td>T. Oswegatchie</td>
<td>&quot;</td>
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<tr>
<td>T. Potsdam</td>
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<td>C. Ogdensburg</td>
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</tbody>
</table>

FORM B
MONTHLY GAS QUALITY REPORT

MONTHLY GAS QUALITY REPORT TO
STATE OF NEW YORK
PUBLIC SERVICE COMMISSION
FOR THE MONTH OF ___________ 19___

Company _______________________________________________________________
Stations ______________________________________________________________
Gas Types _____________________________________________________________
Where Obtained ________________________________________________________
________________________________________________________________________

<table>
<thead>
<tr>
<th>Station</th>
<th>Gas Type</th>
<th>Where Obtained</th>
<th>Where Sampled</th>
<th>Where Teste</th>
<th>Date</th>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>22</td>
</tr>
</tbody>
</table>
Monthly Average

Minimum Daily Average

Maximum Daily Average

Where required by Rule 115 [§ 229.5] of the PSC Gas Code, submit daily minimum and maximum heating value on a separate sheet of paper.

Where required by Rule 133 [§ 229.22] of the PSC Gas Code, submit daily maximum and minimum specific gravity on a separate sheet of paper.

APPENDIX 7-B

1
2
3
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9

COPY OF FORM C REPORT OF TEST STANDARDS
MAY BE OBTAINED FROM:
NYS LEGISLATIVE BILL DRAFTING COMMISSION
CONTACT: LEGISLATIVE RETRIEVAL SYSTEM’S HELPLINE

---

APPENDIX 7-C

GAS REQUIREMENTS AND SUPPLY

Name of Utility ............................................................
District ........................................................................
Report to: State of New York-Public Service Commission

(1) Number of customers connected as of (date) (March 1, preferably).

<table>
<thead>
<tr>
<th>TYPE OF CUSTOMER</th>
<th>PREVIOUS WINTER</th>
<th>COMING WINTER</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total No.</td>
<td>Est. Total</td>
</tr>
<tr>
<td></td>
<td>No. of Space-Heating</td>
<td>No. of Space-Heating</td>
</tr>
<tr>
<td>Residential</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commercial</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Industrial--Interruptible</td>
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<td></td>
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<tr>
<td>--Other</td>
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<td></td>
</tr>
<tr>
<td>Wholesale (Utilities)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(2) Actual sendout, mean temperature and the gas supply for the peak day of the previous winter. During the season, was service to any customer curtailed or interrupted to conserve the gas supply?
(3) Estimated sendout, assumed mean temperature and the gas supply (including Federal Power Commission docket numbers under which each increment of the supply was authorized) for the peak day of the coming winter.

(4) Estimated 12-month sendout and the gas supply (including Federal Power Commission docket numbers under which each increment of the supply was authorized) for the coming heating season.

(5) Has a procedure been established for curtailing industrial loads when necessary to do so?

Signed by Officer .....................................
Title ..............................................
Date ................................................., 19...

APPENDIX 7-D
FORM A
STATE OF NEW YORK
PUBLIC SERVICE COMMISSION
REPORT OF SPECIFICATIONS OF PROPOSED CONSTRUCTION
OF
GAS PIPELINE TO BE SUBJECTED TO PRESSURE OF 125 PSIG OR MORE
255.302
(Submitted in Triplicate)

Gas Corporation ___________________________ Date ________________
Route: From ____________________________________________ To _______________________
New Construction ___________________________ Reconstruction _______________________
Counties traversed ______________________________________________________________
Towns traversed ________________________________________________________________
Cities traversed ________________________________________________________________
Incorporated villages traversed _________________________________________________
Estimated date: Start of construction ________________________________
Completion of construction ________________________________________________

Identity of line (gas corporation name or number) _________________________________
Required filing: The following maps, sketches, and drawings shall be filed with, and as part of, this report:
(a) Two sets of current U.S. Geological Survey maps (7 1/2 or 15-minute) sufficient to show the entire route of the proposed construction or reconstruction and an area of one mile on either side of the route. The route of the construction or reconstruction shall be clearly indicated thereon, and
(b) Two sets of strip maps and design drawings showing details of the proposed construction or reconstruction.

NOTE: Where more than one construction design factor is used, the specifications relative to each shall be separately listed. Where necessary, supply the requested information on attached sheets identified by the Roman numeral, number, and letter designation of the item on this form.

I. General
1. Length
2. Nominal outside diameter, "D", inches
3. Nominal wall thickness, "t", inches
4. Type and/or grade of pipe
5. Manufacturer of steel
6. Manufacturer of pipe
7. Type of longitudinal joint
8. Specified minimum yield strength, psi
9. Nominal ultimate strength, psi
10. Is pipe new or used?
11. If used pipe is employed, describe the inspection and reconditioning
12. Mill test pressure, psi
13. Maximum certified operating pressure, psi
14. Calculated pipe stress (hoop stress)
   Where PD = stress, psi
   \[ \frac{2t}{PD} \]
15. Ratio of pipe stress to yield strength, percent
16. Check of pipe specifications:
   (a) Are the physical and chemical specifications of pipe to be verified by outside laboratories?
   (b) By whom?
17. (a) By class locations, what percentage of the welds are to be radiographed?
   (b) By whom?
   (c) How will gas corporation certify the radiograph technician?

II. Fabrication
What inspection procedures will be followed for detection of gouges, grooves, and dents for:
(a) Factory coated pipe
(b) Field coated pipe

III. Railroad, Road, and Water Crossings
1. Railroad crossings
   (a) List, giving location
   (b) Indicate whether cased or not; if not cased, provide reason
2. Street or road crossings
   (a) List, giving location
   (b) Indicate whether cased or not
   (c) Indicate if heavier wall carrier pipe used
3. Lake, river, stream, or creek crossings
   (a) List, giving location
   (b) Describe any special construction precautions to be followed
4. Pipeline encroachments
   (a) List any encroachments to railroads by location
   (b) List any encroachments to roads in which special construction precautions will be employed; identify by location

IV. Valves
1. Manual valves
   (a) Number of sectionalizing valves
   (b) Spacing of sectionalizing valves
2. Type, make, and location of any automatic valves to be used
3. Blowdown procedure
   (a) Describe method
   (b) Number, size, and location of blowdown valves
   (c) Estimated blowdown time for each section of pipeline

V. Minimum cover
If minimum prescribed cover cannot be maintained, indicate location, nature of problem, and special precautions to be observed

VI. Exposed piping and self-supported spans
other than on gas corporation property
1. Number of instances
2. Location of each
3. Reasons for exposed piping
4. Total length in each instance
5. Length of each self-supported span
6. Precautions taken (signs, fences, etc.)
7. What special precautions taken

VII. Corrosion control
   1. Type of field coating:
      (a) For pipe (if not factory coated)
      (b) For girth welds and fittings
   2. Type of test of coating before backfill
   3. Type of test of coating after backfill
   4. Proposed cathodic protection

VIII. Pressure and leakage tests
   1. Test pressure
   2. Test medium
   3. Duration of test
   4. Length of test sections
   5. What is the source of water supply used?
   6. How and where is water disposed of after test?

IX. Purging of pipelines and mains
   Description of purging procedure by class location

X. Route of Pipeline
   1. Has gas corporation obtained necessary R/W from each party
      having interest in R/W? If not, what is status?
   2. Has gas corporation obtained formal approval and all necessary
      permits from governmental agencies? If not, what is status?

XI. Class locations
   Supply full information for entire length of pipeline to indicate
   basis of determination of class location of each segment thereof in
   accordance with 16 NYCRR 255.5.

XII. Odorizing provisions
   1. Type of equipment to be installed
   2. Type of odorant to be added
   3. Threshold perception to be achieved (percent of L.E.L.)

APPENDIX E
FORM A
ANALYSIS OF RESPONSE TO EMERGENCY REPORTS
Gas Corporation_________________________          Month__________,19____
Emergency Calls
Weekdays-during normal  Weekdays-after normal
business hours            business hours            Sat., Sun., & Hol.  Total
Response
Time*        No. of Per-       No. of Per-       No. of Per-       No. of Per-
(minutes)    Calls   cent-       Calls   cent-       Calls   cent-       Calls   cent-
Calls         age of       Calls         age of       Calls         age of
0-15               ______   _______            _______            _______            _______            _______ 31-45
16-30            _______   _______            _______            _______            _______ 46-60
31-45            _______   _______            _______            _______            _______ More than
46-60            _______   _______            _______            _______            _______
APPENDIX 7-F
FORM A
STATE OF NEW YORK
PUBLIC SERVICE COMMISSION
* * *
REPORT OF SPECIFICATIONS OF PROPOSED CONSTRUCTION
of
LIQUID PETROLEUM PIPELINE TO BE SUBJECTED TO PRESSURE
16 NYCRR 258.4(a)
(Submitted in Triplicate)
* * *
Corporation ______________________________________________Date_________
Route: From ____________________________________To_____________________
New Construction ___________________________Reconstruction_____________
Counties traversed ____________________________________________________
Towns traversed _______________________________________________________
Cities traversed ______________________________________________________
Incorporated villages traversed _______________________________________
Estimated date: Start of construction ______________________________
Completion of construction ___________________________
Identity of line (corporation name or number) _________________________
* * *
Required filing: The following maps, sketches, and drawings shall be filed with and as a part of this report:
(a) Three sets of current U.S. Geological Survey Maps (7-1/2 or 15-minute) sufficient to show the entire route of the proposed construction or reconstruction and an area of one mile on either side of the route. The route of the construction or reconstruction shall be clearly indicated thereon.
(b) Three sets of strip maps and design drawings showing details of the proposed construction or reconstruction.
* * *
Note: Where more than one construction type design factor is used, the specifications relative to each shall be separately listed. Where necessary, supply the requested information on attached sheets identified by the Roman numeral, number, and letter designation of the item on this form.
* * *
I. GENERAL
1. Length
2. Nominal outside diameter, "D," inches
3. Nominal wall thickness, "t," inches
4. Type and/or grade of pipe
5. Manufacturer of steel
6. Manufacturer of pipe
7. Type of longitudinal joint
8. Specified minimum yield strength, psig
9. Nominal ultimate strength, psig
10. Is pipe new or used
11. If used pipe is employed, describe the inspection and reconditioning
12. Mill test pressure, psig
13. Certified maximum operating pressure, psig
14. Calculated pipe stress (hoop stress) psig
   Where PD = stress
   $2t$
15. Ratio of pipe stress to yield strength, percent
16. Check of pipe specifications:
   (a) Are the physical and chemical specifications of pipe to be verified by outside laboratories?
   (b) By whom?
17. (a) By location, what percentage of the welds are to be radiographed?
   (b) By whom?

II. FABRICATION (SEE 16 NYCRR 258.7)
   What inspection procedures will be followed for detection of gouges, grooves, and dents for:
   (a) Factory coated pipe
   (b) Field coated pipe

III. RAILROAD, ROAD, AND WATER CROSSINGS (SEE 16 NYCRR 258.5)
1. Railroad crossings
   (a) List, giving location
   (b) Indicate whether cased or not; if not cased, provide basis
2. Road crossings
   (a) List, giving location
   (b) Indicate whether cased or not
   (c) Indicate if heavier wall carrier pipe is used
3. Lake, river, stream, or creek crossings
   (a) List, giving location
   (b) Describe any special construction precautions to be followed
4. Pipeline encroachments
   (a) List any encroachments to railroads, by location
   (b) List any encroachments to roads, in which special construction precautions will be employed; identify by location

IV. VALVES (SEE NYCRR 258.12)
1. Manual valves
   (a) Number of sectionalizing valves
   (b) Spacing of sectionalizing valves
2. Type, make, and location of any automatic valves to be used

V. MINIMUM COVER AND CLEARANCE (SEE 16 NYCRR 258.6)
   If minimum prescribed cover and clearance cannot be maintained, indicate location, nature of problem, and cover or clearance to be employed, plus special precautions to be observed.

VI. CORROSION CONTROL (SEE 16 NYCRR 258.10)
1. Type of field coating:
   (a) For pipe (if not factory coated)
   (b) For girth welds and fittings
2. Type of test of coating before backfill
3. Type of test of coating after backfill
4. Proposed cathodic protection
VII PRESSURE AND LEAKAGE TESTS (SEE 16 NYCRR 258.9)
1. Test pressure
2. Test medium
3. Duration of test
4. Length of test sections

VIII ROUTE OF PIPELINE
1. Has corporation obtained necessary R/W from each party having
   interest in R/W? If not, what is status?
2. Has corporation obtained formal approval and all necessary permits
   from governmental agencies? If not, what is status?

IX PIPELINE CERTIFIED TO TRANSPORT THE FOLLOWING LIQUID PETROLEUM
PRODUCTS
1. __________________________________________________________________
2. __________________________________________________________________
3. __________________________________________________________________
4. __________________________________________________________________
5. __________________________________________________________________

___________________________________
Signature of corporation officer

___________________________________
Title

.SO DOC 16B-AP7G

APPENDIX 7-G
(cf. Part 255)

NOTIFICATION OF CONSTRUCTION
FOR
GAS GATHERING LINES TO BE SUBJECTED TO
PRESSURE OF 125 PSIG OR MORE
OR
GAS GATHERING LINES TO BE LOCATED IN
AN AREA USED FOR COMMERCIAL FARM PURPOSES

COMPANY _______________________ DATE ___________________________________
DESCRIPTION OF PROJECT _________________________________________________
________________________________________________________________________
________________________________________________________________________
________________________________________________________________________
LOCATION OF PROJECT (file a copy of the map filed with the Article VII
application)
________________________________________________________________________
________________________________________________________________________

ESTIMATED STARTING DATE ________________________________________________
ESTIMATED COMPLETION DATE ______________________________________________
PERSON TO BE CONTACTED REGARDING PROJECT __________________________________
ADDRESS ________________________________________________________________
_________________________________ TELEPHONE NO. ____________________________

MAXIMUM ALLOWABLE OPERATING PRESSURE ___________________________________
LOCATION CLASS* _________________________________________________________

PIPE & COATING DESCRIPTION
a. NOMINAL DIAMETER _______________________________________________________
b. NOMINAL WALL THICKNESS _____________________________________________
c. PIPE SPECIFICATION ___________________________________________________
d. GRADE _________________________________________________________________
e. COATING TYPE _________________________________________________________
f. METHOD OF APPLICATION ______________________________________________
LONGITUDINAL JOINT TYPE ________________________________

TEST DATA:
  a. TEST MEDIUM ________________________________
  b. DURATION ________________________________
  c. TEST PRESSURE ______________________________

NAMES AND MAILING ADDRESSES OF AFFECTED FARMLAND OPERATORS:
Name                               Mailing Address
__________________________________________________________
__________________________________________________________
__________________________________________________________

* If the line is to be constructed within 150 feet of an existing structure used for a residence or place of business that portion of the line must be constructed to transmission line standards. Under these circumstances, contact the Albany Office of the Gas Division prior to construction: (518) 474-5453.

MINIMUM COVER
For each area used for commercial farm purposes complete Appendix 7-G(a), including the statement of the farmland operator and a copy of a map showing each farmland border, nearest public road and the proposed route of the gathering line. Indicate the proposed depth of cover for all segments of the line and respective length of each such segment.
If minimum prescribed cover cannot be maintained, indicate location, nature of problem, and special precautions to be observed.
I hereby certify that this gathering line will be constructed to the requirements of 16 NYCRR 255.9(h).
(Signed) __________________________
Officer of corporation

APPENDIX 7-G(a)
MAP OF AN AREA USED FOR COMMERCIAL FARM PURPOSES
AND
REVIEW OF THE PROPOSED DEPTH-OF-COVER BY THE
FARMLAND OPERATOR
(To be completed for each affected farmland area, as denoted under "Minimum Cover" in Appendix 7-G)
NAME OF FARMLAND OPERATOR FOR THE AFFECTED AREA: ________________________
LOCATION OF AFFECTED FARMLAND AREA: ___________________________________
(Nearest public road, Town, County)

REVIEW INFORMATION
In areas actively cultivated for commercial farm purposes, as identified by the farmland operator, all pipe shall be installed with a minimum of 40 inches of cover. The farmland operator may allow less than 40 inches of cover if less conforms with normal agricultural practices and planned agricultural engineering projects. The farmland operator may require a depth-of-cover greater than 40 inches where necessary to safely accommodate such practices and projects.
FARMLAND OPERATOR: I am aware that the local Soil Conservation Agent* is available to discuss with me, prior to executing this document, depth-of-pipeline cover compatible with safe practices and standards of the U.S. Department of Agriculture, Soil Conservation Service, contained in the National Handbook of Conservation Practices and its National Engineering Manual. I have reviewed and have a copy of the proposed map
(attached hereto) of the line across my farm.

Date                               (Signed) Farmland Operator

* USDA, Soil Conservation Service employee or County Soil and Water Conservation District employee.

APPENDIX 8-A

COMPLAINT, PERIODIC AND OFFICE TESTS
Steam Meter Tests made during the month of ___________________ 19 ___
By __________________________________________________________ Company
Total number of meters in service

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<th>Number of Meters</th>
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</table>

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<tr>
<th>Flow Meters</th>
<th>Percentage Registration</th>
<th>Velocity Type</th>
<th>Condensate Meters</th>
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<td>Years Since Last Test</td>
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<td>Type Type 1</td>
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Complaint Tests:

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<tr>
<td>95% to 97.9%</td>
</tr>
<tr>
<td>98% to 102%</td>
</tr>
<tr>
<td>102.1% to 105%</td>
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<td>More than 105%</td>
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<tr>
<td>Indeterminate</td>
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Periodic Tests:

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<td>Less than 95%</td>
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<tr>
<td>95% to 97.9%</td>
</tr>
<tr>
<td>98% to 102%</td>
</tr>
<tr>
<td>102.1% to 105%</td>
</tr>
<tr>
<td>More than 105%</td>
</tr>
<tr>
<td>Indeterminate</td>
</tr>
</tbody>
</table>
Office Tests:

Non-Registering

Less than 95%

95% to 97.9%

98% to 102%

102.1% to 105%

More than 105%

Indeterminate

Total

Total Meters Tested

The above report is a correct summary of all steam meter Complaint, Periodic and Office Tests made by this utility and all tests were conducted according to the rules of the Public Service Commission.

Signed by _______________________
Official Title ____________________

.SO DOC 16B-AP8B
APPENDIX 8-B
FORM FOR STEAM QUALITY TEST RECORD

Name of Customer ________________________________________________________
Address _________________________________________________________________
Date of Test ____________________________________________________________
Type of Calorimeter Used _________ Calorimeter Set Identification ______
Location of Calorimeter* ________________________________________________
(AM)                               (AM)
Time at Start of Testing _________(PM) :Time at End of Testing ______(PM)

Readings

(a) Barrus Type Calorimeter

Run#1          Run#2        Run#3

Time of observation
Pressure, psia
Temperature T1, µF
Temperature T2, µF

(b) Peabody Type Calorimeter

Run #1        Run #2       Run #3

Time of observation
Temperature, µF
Pressure P1, psia
Pressure P2, psia
(c) Carpenter Type Calorimeter, Minimum orifice area, __________ sq. in.

Starting time
Pressure p. psia
Weight of water W. lb.
Final Time

<table>
<thead>
<tr>
<th>Run No.</th>
<th>Calculation</th>
<th>Steam Chart Reading</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Calculations or Steam Chart Results for Quality:

Remarks: ________________________________________________________________
________________________________________________________________________
________________________________________________________________________
________________________________________________________________________

*Describe location of calorimeter with respect to adjacent installation equipment, vis: service side of meter, downstream side of service trap, etc.

Signed by________________________

Official Title___________________

NYCRR

CHAPTER V

Waterworks Corporations

PART

500 Meter Approvals; Testing of Meters; Reports of Tests
501 Extension of Mains
502 Construction and Maintenance of Service Pipes
503 Service Standards
504 Discontinuance of Service by Consumers
510 Consumer Deposits--Waterworks Corporations

PART 500

METER APPROVAL; TESTING OF METERS; REPORTS OF TESTING
(Statutory authority: Public Service Law, § 67)

Sec.
500.1 General
500.2 Types of meters
500.3 Approval of meters and meter reading accessories
500.4 Testing equipment
500.5 Tests of meters
500.6 Registration of meters
500.7 Complaint tests
500.8 Adjustment of bills due to over-registration of meter
500.9 Percentage of accuracy defined
Section 500.1 General.

(a) All waterworks corporations under the jurisdiction of the Public Service Commission shall install approved meters and approved accessories, and before placing in service, test all water meters used for the purpose of billing customers, and shall adjust the same so that the registration on the meter dial shall indicate the quantity of water actually passing through the meter within the limits herein provided. However, meters and accessories placed in the field prior to the effective date of the approval regulations will be grandfathered, based on a review of the accuracy and reliability performance data supplied by waterworks corporations as directed by commission staff. Such application must be submitted within six months of the effective date of this section.

(b) (1) No waterworks corporation furnishing metered water service shall allow a meter to remain in service for a period longer than that specified in the following table without checking or testing said meter for accuracy and making the necessary readjustments if found to be incorrect beyond the limits herein provided.

<table>
<thead>
<tr>
<th>Size of meter</th>
<th>Interval between test</th>
</tr>
</thead>
<tbody>
<tr>
<td>5/8-inch, 3/4-inch</td>
<td>15 years</td>
</tr>
<tr>
<td>1-inch</td>
<td>5 years</td>
</tr>
<tr>
<td>1-1/2 inch, 2-inch</td>
<td>4 years</td>
</tr>
<tr>
<td>3-inch</td>
<td>3 years</td>
</tr>
<tr>
<td>4-inch</td>
<td>2 years</td>
</tr>
<tr>
<td>6-inch and larger</td>
<td>1 year</td>
</tr>
</tbody>
</table>

In the case of new model water meters, the company shall test a sample of the meters after they have been in service for five years. The size of the sample shall be 10 percent of the total meters of that model in service for five years or, alternatively, any percentage which the company can demonstrate is statistically valid. When the test results have proven satisfactory for three consecutive years, the sampling of these meters may be discontinued.

(2) Nor shall any meter be permitted to remain in service without similarly checking for accuracy and readjusting when its registration since the last test exceeds the following:

<table>
<thead>
<tr>
<th>Size</th>
<th>Interval between test registration</th>
</tr>
</thead>
<tbody>
<tr>
<td>5/8-inch</td>
<td>1,500,000 gallons</td>
</tr>
<tr>
<td>3/4-inch, 1-inch</td>
<td>2,000,000 gallons</td>
</tr>
<tr>
<td>1-1/2-inch, 2-inch</td>
<td>3,000,000 gallons</td>
</tr>
<tr>
<td>2-inch</td>
<td>7,000,000 gallons</td>
</tr>
</tbody>
</table>

provided, however, that such routine tests shall not be required more often than once a year.

(c) All water meters in service on or after April 1, 1932, for which there is no record of test within five years, shall be tested promptly thereafter, and in all cases within one year from said date; provided, however, that companies having over 5,000 meters will be allowed two years; but at least one half of the meters shall be tested during the first year.

(d) A complete record shall be kept by each waterworks corporation of
all tests made by it to include:
(1) owning or serving company's number;
(2) manufacturer's name and number;
(3) type and rated capacity;
(4) date of installation, removal, and test;
(5) reason for test;
(6) history of meter; to include date of purchase, various places of installation with dates of installation and removal and reason for such removal; and
(7) date of test; to include meter readings, measurement of water passed, method of measurement, location of test whether on premises of customer, in laboratory or shop or elsewhere, and any other pertinent information.

(e) On and after March 31, 1946, all waterworks corporations shall make report of water meter tests on Revised Form No. 2{1} and in accordance with the instructions attached thereto.

(f) In order to facilitate the testing of new or repaired meters, the commission may detail inspectors to make tests on the premises of water supply corporations or meter manufacturers or at meter repair shops, provided such premises are maintained and equipped as hereinafter provided.

(g) The name of the manufacturer and a serial number shall be plainly stamped on each meter.

(h) Upon placing or replacing a meter in service, unless the register is set at zero, the water company shall securely attach a tag stamped with figures indicating the date and meter dial reading at the time of setting. When removing a meter, or when a reading is taken for rendering a final bill, the consumer shall be given the reading at the time and shall be given the opportunity to read the meter if he so desires.

 Revised Form No. 2 and its corresponding instructions are set out in Appendix 9-A.

500.2 Types of meters. Service meters covered by this Part in use for measuring water delivered to consumers are divided into four general classes, as follows: displacement, current, compound, and fire-service.

(a) Displacement meters. Displacement meters are known by the motion of the piston, as reciprocating, rotary, oscillating, and mutating disc meters. These meters are positive in action and displace or carry over a fixed quantity for each stroke or revolution of the piston or disc.

(b) Current meters. Current meters are nonpositive in action, but record the flow by the number of revolutions of a water wheel or propeller, which is set in motion by the force of the flowing water coming in contact with the wheel or propeller blades.

(c) Compound meters. Compound meters consist of a combination of a main-line meter of the current or displacement type for measuring large flows and a small by-pass meter of the displacement type for measuring small flows, together with an automatic valve mechanism for diverting the small flows through the by-pass meter.

(d) Fire-service meters. Fire-service meters are compound meters consisting of a main-line meter of the proportional type for measuring large flows and a small by-pass meter of the displacement type for measuring small flows together with an automatic valve mechanism for diverting the small flows through the by-pass meter. The combination is designed to afford a clear passage through the meter when the valve is
500.3 Approval of meters and meter reading accessories.

(a) Definitions. Unless the specific context otherwise requires, as used in this Part:

(1) Meter - any meter testing equipment or measurement device used for the determination of the units of water furnished.

(2) Accessory - any meter reading device attached to the meter used to display, transmit or adjust the reading of a meter index.

(3) Acceptable devices - those types or models of meters or accessories, eligible to be submitted for approval, that conform to requirements intended to determine their reliability and acceptable accuracy insofar as they can be demonstrated by tests; the meter or accessory shall meet or exceed staff designated requirements.

(4) Approved devices - those types or models of meters or accessories which have been approved by the Commission for use in customer billing and in the general operations of a water utility plant.

(b) Selection of devices for testing. (1) One or more units of equipment covered by the application, as determined and selected by staff, shall be made available for testing and may be retained for such purpose by the commission. Such units will be intended for actual use and not include experimental models.

(c) Application of approval.

(1) An application for approval shall be filed by the first utility intending to use the meter or accessory in New York. The application shall be filed, in accordance with the requirements of § 3.5 of this Title, with the Secretary of the Commission.

(2) An application for approval shall contain:

(i) name and address of applicant;

(ii) name and address of manufacturer;

(iii) manufacturer's type or model designation;

(iv) complete technical description covering construction details and materials;

(v) test data observed and/or prepared by the applicant;

(vi) test data certified by the manufacturer;

(vii) photographs (8" x 10" exploded view) and/or manufacturer's drawings;

(viii) the general customer category or specific application for which the utility intends to use the meter or accessory;

(ix) the approximate cost per unit; and

(x) certification of correctness and completeness of application by an officer of the applicant.

(d) Modification of approved devices.

(1) Permission to use an approved device is effective only for those types of models which are of the same design and construction as the type or model approved. If the manufacturer of an approved device changes its materials, construction, or design in a manner that may affect its operation, accuracy or safety, the sponsoring utility or the utility intending to use the modified device shall notify the Commission staff, specifying the changes.

(2) Department staff will evaluate the effects of the modification and determine whether the device remains acceptable and, if so, whether the existing approval is adequate or should be amended, and will so notify the utility.
(e) Strength and capacity of meters. (1) Strength. New meters shall be of sufficient strength to withstand without damage a working-pressure test of 150 pounds per square inch.

(2) Capacity. New meters shall show a loss of head not to exceed the following amounts when the rate of flow for delivery is that given in the following Table, viz.: for displacement and current meters, 15 pounds per square inch; for compound meters, 20 pounds per square inch; for fire-service meters, 4 pounds per square inch.

<table>
<thead>
<tr>
<th>Size</th>
<th>Displacement</th>
<th>Current</th>
<th>Compound</th>
<th>Fire-service</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inches</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1/2</td>
<td>15</td>
<td>.......</td>
<td>.........</td>
<td>............</td>
</tr>
<tr>
<td>1/2 x 3/4</td>
<td>15</td>
<td>.......</td>
<td>.........</td>
<td>............</td>
</tr>
<tr>
<td>5/8</td>
<td>20</td>
<td>.......</td>
<td>.........</td>
<td>............</td>
</tr>
<tr>
<td>5/8 x 3/4</td>
<td>20</td>
<td>.......</td>
<td>.........</td>
<td>............</td>
</tr>
<tr>
<td>3/4</td>
<td>30</td>
<td>.......</td>
<td>.........</td>
<td>............</td>
</tr>
<tr>
<td>1</td>
<td>50</td>
<td>.......</td>
<td>.........</td>
<td>............</td>
</tr>
<tr>
<td>1-1/2</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>............</td>
</tr>
<tr>
<td>2</td>
<td>160</td>
<td>120</td>
<td>160</td>
<td>............</td>
</tr>
<tr>
<td>3</td>
<td>315</td>
<td>300</td>
<td>320</td>
<td>400</td>
</tr>
<tr>
<td>4</td>
<td>500</td>
<td>600</td>
<td>500</td>
<td>700</td>
</tr>
<tr>
<td>6</td>
<td>1,000</td>
<td>1,350</td>
<td>1,000</td>
<td>1,600</td>
</tr>
<tr>
<td>8</td>
<td>1,800</td>
<td>1,600</td>
<td>2,800</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>2,400</td>
<td>2,300</td>
<td>4,400</td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>3,375</td>
<td>3,100</td>
<td>6,400</td>
<td></td>
</tr>
</tbody>
</table>

500.4 Testing equipment. (a) Each water works corporation, unless specifically excused by the commission, shall provide for and have available such meter testing laboratory or shop, standard meters, instruments, and other facilities as may be deemed necessary by the commission properly to make the tests required herein. Such equipment and facilities shall be acceptable to the commission and shall be available at all reasonable times for inspection and use by authorized representatives of the commission. Water-works corporations may cooperate in arranging for meter testing facilities. Tests for accuracy of such equipment will be made at such intervals as the commission may deem necessary.

(b) Requests to be excused from the provisions of subdivision (a) of this section will be considered from water-works corporations having less than 100 meters in service when satisfactory arrangements are made for testing of meters at approved laboratories; or from companies which arrange for all facilities prescribed herein at approved locations elsewhere than on the premises of said company.

(c) The minimum equipment required for registration tests is as follows:

(1) A quick-acting valve on the discharge pipe through the use of which the flow can be started and stopped without appreciable loss of time.

(2) A valve and an orifice attachment on the outlet side of the meter, either of which can be used to establish the rate of flow desired.

(3) Pressure gauges connected on both the inlet and outlet of the
meter to show whether any material change in pressure occurs during the period of test, which would affect the rate of flow. The outlet pipe is to have sufficient head on it so that the meter will always have pressure on its outlet end and preferably not less than five pounds per square inch.

(4) A measuring device which may be either of the volumetric or weighing type. Whichever is used, the accuracy of determination of the volume or weight of water discharged into the measuring device must be such as to bring the limit of error within one quarter of one percent.

(5) It is desirable to have available for testing meters a test table and appurtenances which are manufactured by several concerns. Such an outfit would include the equipment enumerated in the preceding four paragraphs.

500.5 Tests of meters.

(a) Tests to be made on meters may be considered in two classes, viz.: routine tests as hereinbefore required and tests required upon complaint of consumers or for other special purposes.

(b) The volume of water passed must be sufficient to cause at least one revolution of the pointer on the initial dial except for sensitivity test at "minimum test flow" rate when the said rate shall be maintained for at least five minutes during which time the pointer on the initial dial shall show a steady uniform movement.

(c) Tests of meters over two inches in size may be made in place on the premises by means of an accurately calibrated test-meter of suitable size or by some other reliable apparatus approved by the commission.

(d) Displacement type. (1) All routine tests of displacement type meters shall be conducted by testing for accuracy of registration at not less than two rates of flow within "normal test flow limits", one rate to be approximately that at which the percentage of accuracy is a maximum and the other at approximately the high rate of flow, or in the case of large meters tested in place on premises, at as high a rate as practicable.

(2) All tests made upon complaint of consumers or for other special purposes shall be conducted by testing for accuracy of registration at not less than three rates, namely, at the two rates stipulated above for routine tests and also at approximately the low rate of flow.

(e) Current type. All routine and complaint tests of current meters shall be made within and as near as practicable to the low and high rates given under "normal test flow limits" and, if required, at intermediate rates.

(f) Compound and fire-service types. The accuracy of compound and fire-service meters should be determined by making a sufficient number of tests at different rates of flow between the high and low rates given under "normal test flow limits" to permit the construction of a representative accuracy curve; the tests should be of such scope that the rates of flow at the beginning and end of the "change-over" and the maximum error in registration can readily be determined.
herein under "normal test flow limits". At the "minimum test-flow" rate to the lowest normal test flow rate as set forth in the following table, the meter shall register not less than 95 percent and not more than 101 percent of the water that actually passes through it. The meter shall show proper sensitivity when tested at the rate of flow set forth under "minimum test flow" as provided in Section 500.5.

<table>
<thead>
<tr>
<th>Size (inches)</th>
<th>Normal test flow limits (gallons per minute)</th>
<th>Minimum test flow (gallons per minute)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1/2</td>
<td>1 to 15</td>
<td>1/4</td>
</tr>
<tr>
<td>1/2 x 3/4</td>
<td>1 to 15</td>
<td>1/4</td>
</tr>
<tr>
<td>5/8</td>
<td>1 to 20</td>
<td>1/4</td>
</tr>
<tr>
<td>5/8 x 3/4</td>
<td>1 to 20</td>
<td>1/4</td>
</tr>
<tr>
<td>3/4</td>
<td>2 to 30</td>
<td>1/2</td>
</tr>
<tr>
<td>1</td>
<td>3 to 50</td>
<td>3/4</td>
</tr>
<tr>
<td>1-1/2</td>
<td>5 to 100</td>
<td>1-1/2</td>
</tr>
<tr>
<td>2</td>
<td>8 to 160</td>
<td>2</td>
</tr>
<tr>
<td>3</td>
<td>16 to 315</td>
<td>4</td>
</tr>
<tr>
<td>4</td>
<td>28 to 500</td>
<td>7</td>
</tr>
<tr>
<td>6</td>
<td>48 to 1,000</td>
<td>12</td>
</tr>
</tbody>
</table>

(b) Current type. The registration on the meter dial shall indicate the quantity recorded to be not less than 98 percent nor more than 102 percent of the water actually passed through the meter while it is being tested at any rate of flow within the limits specified herein under "normal test flow limits". The meter shall show proper sensitivity when tested at the rate of flow set forth under "minimum test flow" as provided in section 500.5.

<table>
<thead>
<tr>
<th>Size (inches)</th>
<th>Normal test flow limits (gallons per minute)</th>
<th>Minimum test flow (gallons per minute)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-1/2</td>
<td>12 to 100</td>
<td>1 1/2</td>
</tr>
<tr>
<td>2</td>
<td>35 to 160</td>
<td>30</td>
</tr>
<tr>
<td>3</td>
<td>40 to 250</td>
<td>35</td>
</tr>
<tr>
<td>4</td>
<td>50 to 500</td>
<td>45</td>
</tr>
<tr>
<td>5</td>
<td>75 to 90</td>
<td>70</td>
</tr>
<tr>
<td>6</td>
<td>90 to 1,200</td>
<td>85</td>
</tr>
<tr>
<td>8</td>
<td>100 to 1,500</td>
<td>90</td>
</tr>
<tr>
<td>10</td>
<td>125 to 2,000</td>
<td>110</td>
</tr>
<tr>
<td>12</td>
<td>150 to 2,800</td>
<td>140</td>
</tr>
</tbody>
</table>

(c) Compound type. (1) The registration on the meter dials shall indicate the quantity recorded to be not less than 97 percent nor more than 103 percent of the water actually passed through the meter while it is being tested at any rate of flow within the limits specified under "normal test flow limits", except in the registration of flows within the "changeover" from by-pass meter to mainline meter. The registration at these rates of flow shall be not less than 90 percent and not more than 103 percent. The difference in the rate of flow at the beginning and at the end of the "changeover" shall not exceed the figures given in the following table:

<table>
<thead>
<tr>
<th>Size (inches)</th>
<th>Gallons per minute</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-1/2</td>
<td>20</td>
</tr>
<tr>
<td>2</td>
<td>20</td>
</tr>
<tr>
<td>3</td>
<td>30</td>
</tr>
<tr>
<td>4</td>
<td>30</td>
</tr>
<tr>
<td>6</td>
<td>40</td>
</tr>
</tbody>
</table>
(2) The beginning of the "changeover" is when the accuracy of registration falls below 97 percent, due to the automatic valve mechanism, and the end of the "changeover" is when the accuracy of registration again reaches 97 percent.

(3) The meter shall show proper sensitivity when tested at the rate of flow set forth under "minimum test flow" as provided in section 500.5.

<table>
<thead>
<tr>
<th>Size, main</th>
<th>Normal test flow limits</th>
<th>Minimum test flow</th>
</tr>
</thead>
<tbody>
<tr>
<td>meter (inches)</td>
<td>(gallons per minute)</td>
<td>(gallons per minute)</td>
</tr>
<tr>
<td>1-1/2</td>
<td>2 to 100</td>
<td>1/2</td>
</tr>
<tr>
<td>2</td>
<td>2 to 160</td>
<td>1/2</td>
</tr>
<tr>
<td>3</td>
<td>4 to 320</td>
<td>1</td>
</tr>
<tr>
<td>4</td>
<td>6 to 500</td>
<td>1-1/2</td>
</tr>
<tr>
<td>6</td>
<td>10 to 1,000</td>
<td>3</td>
</tr>
<tr>
<td>8</td>
<td>16 to 1,600</td>
<td>4</td>
</tr>
<tr>
<td>10</td>
<td>32 to 2,300</td>
<td>8</td>
</tr>
<tr>
<td>12</td>
<td>32 to 3,100</td>
<td>14</td>
</tr>
</tbody>
</table>

(d) Fire-service type. (1) Registration on the meter dials shall indicate the quantity recorded to be not less than 97 percent nor more than 103 percent of the water actually passed through the meter while it is being tested at any rate of flow within the limits specified under "normal test flow limits", except in the registration of flows within the "changeover" from by-pass meter to the mainline meter. The registration at these rates of flow shall be not less than 85 percent. The difference in the rate of flow at the beginning and at the end of the "changeover" shall not exceed the figures given in the following table:

<table>
<thead>
<tr>
<th>Size (inches)</th>
<th>Gallons per minute</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>40</td>
</tr>
<tr>
<td>4</td>
<td>60</td>
</tr>
<tr>
<td>6</td>
<td>130</td>
</tr>
<tr>
<td>8</td>
<td>210</td>
</tr>
<tr>
<td>10</td>
<td>300</td>
</tr>
<tr>
<td>12</td>
<td>620</td>
</tr>
</tbody>
</table>

(2) The beginning of the "changeover" is when the accuracy of registration falls below 97 percent due to the automatic valve mechanism, and the end of the "changeover" is when the accuracy of registration again reaches 97 percent.

(3) The meter shall show proper sensitivity when tested at the rate of flow under "minimum test flow" as provided in section 500.5 of this Part.

<table>
<thead>
<tr>
<th>Size (inches)</th>
<th>Normal test flow limits</th>
<th>Minimum test flow</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(gallons per minute)</td>
<td>(gallons per minute)</td>
</tr>
<tr>
<td>3</td>
<td>8 to 400</td>
<td>2</td>
</tr>
<tr>
<td>4</td>
<td>8 to 700</td>
<td>2</td>
</tr>
<tr>
<td>6</td>
<td>16 to 1,600</td>
<td>4</td>
</tr>
<tr>
<td>8</td>
<td>28 to 2,800</td>
<td>7</td>
</tr>
<tr>
<td>10</td>
<td>48 to 4,400</td>
<td>12</td>
</tr>
<tr>
<td>12</td>
<td>48 to 6,400</td>
<td>12</td>
</tr>
</tbody>
</table>

500.7 Complaint tests.
(a) (1) If any consumer owning a meter or to whom a meter has been furnished shall request the Public Service Commission to test such meter, a test will be made by a duly authorized representative of the commission. Such test may be made by means of a test meter or other approved device on the premises of the complainant or in the meter laboratory of either the company or the commission as may be determined by the commission. The water company and the complainant will be notified when said test is to be made, and each may have a representative present to witness the test.

(2) The water company shall render the representative of the commission all necessary assistance in making said test or in removing the meter from the premises of the consumer to such place as the commission may designate for tests.

(3) If such meter on being tested shall be found to be incorrect beyond the limits prescribed, the meter shall forthwith be adjusted by the water company as provided herein or another meter, which has been tested and properly adjusted, shall be installed in place of the meter complained of.

.SO DOC 16C-500.8 NYCRR

500.8 Adjustment of bills due to over-registration of meter.

(a) Displacement meters. (1) If upon test of displacement meters upon complaint (except as herein provided for meters tested in place), it be found that the weighted average percentage of accuracy of the meter, determined as hereinafter specified, exceeds 100 percent, the bills of the consumer shall be adjusted to the extent of such excess for one-half of the quantity registered since the last test unless it can be shown that the error is due to an accident or other cause, the approximate date of which can be determined, in which case it shall be figured back to such date; or unless the consumer has suffered no damage from said error by virtue of the fact that the meter has registered a quantity of water less than that allowed for the minimum rate of the applicable rate schedule.

(2) For the purpose of adjustment of consumers' bills, the weighted average percentage of accuracy of a displacement meter, except as herein provided for meters tested in place, shall be determined by giving a weight of two to the percentage at the rate at which the percentage of accuracy is a maximum and a weight of unity to each of the percentages at approximately the low and high rates of flow within "normal test flow limits".

(b) Meters other than displacement type. The adjustment of bills, upon complaint of consumers, where current, compound, and fire-service meters, or meters of all types tested in place on premises are involved, will be determined from an accuracy curve, developed from tests of the meter in question, properly averaged. If the average percentage of accuracy so determined exceeds 100 percent, the bills of the consumer shall be adjusted in the manner hereinbefore provided for displacement meters.

.SO DOC 16C-500.9 NYCRR

500.9 Percentage of accuracy.

The percentage of accuracy of a meter is the ratio (expressed in percentage) of its registration in a given time to the actual amount of water passed through the meter in the same time.

.SO DOC 16C-500.10 NYCRR

500.10 Percentage error. The percentage error of a meter is the
difference between its percentage of accuracy and 100 percent. A meter whose percentage of accuracy is 95 percent is said to be 5 percent slow, or its error is minus 5 percent. A meter whose percentage of accuracy is 105 percent is said to be 5 percent fast, or its error is plus 5 percent.

500.11 Nonregistering meters.

(a) The reading of a duly installed meter showing the amount of water consumed shall be used for all metered billing purposes except where it appears that the meter has ceased to register or has registered inaccurately.

(b) In all cases where a meter is found to be defective, it shall be immediately replaced by a meter that has been tested and properly adjusted.

(c) In cases where it is found that a meter has ceased to register or has registered inaccurately and it cannot be determined by reasonable test the percentage of inaccuracy, an estimated bill for the billing period immediately preceding the date when such meter was found defective and for the period from said date to the date of replacement of the meter, may be rendered the consumer but the right to render an estimated bill is strictly limited to such periods and for all other periods the bill shall be the minimum rate provided in the applicable rate schedule. The estimated bill shall be based upon the amount of water consumed in the corresponding period in prior years, except where it appears that there has been a change in the occupancy of the premises or in the use of water, in which case an equitable adjustment shall be made. This subdivision does not apply to residential customers of any waterworks corporation that is covered by Part 14 of this Title.

501.1 Definitions

(a) Water main - a pipe carrying water which is generally available to more than one service line.

(b) Extension - the extension of water main including the pipe, elbows, tees, valves, reducers, service taps, and other appurtenances which may be part of the facilities extended to provide water service.

(c) Service line or lateral - the pipe and valves which are used to deliver the water from the main into the customer premises; the company portion being that between the main and the customer property line, and the customer portion being that from the property line into the premises.
(d) Service connection – the facilities necessary to provide the customer service, including the service line, the main tap, meter, and other related facilities.

(e) Extension costs – as used in this Part shall include the costs of labor, equipment and materials used in the extension installation, all paving charges for the repair or replacement of street or sidewalk which may be disturbed in the course of such installation, the costs of inspection, amounts paid to governmental authorities for permits to do the work required, and other costs or taxes that are legally imposed by any governmental authority.

(f) Applicant – a person, developer, builder, partnership, association, corporation, or governmental agency requesting service to a specific location.

(g) Developer – a business or person who will subdivide or prepare real estate for residential or commercial occupancy, who requires the installation of utility plant in advance of occupancy, and whose success resulting in utility customers can be considered speculative since it is dependent upon the success of the real estate venture.

(h) Residential service – water service for sanitary and potable domestic use.

(i) Surcharge – a charge billed to the customer in addition to the regular bill for service.

(j) Gross annual utility revenue – the total of customer charges for utility service billed in one year.

(k) Advance or deposit – money advanced by the applicant to the utility subject to refund.

(l) Contribution – money paid by the applicant to the utility, usually to pay for the cost of installing plant, which will not be refunded.

(m) Water-works tariff – the schedule of rules and charges for water service, filed with and approved by the Commission, under which the utility is required to provide service.

(n) Service area – the area in which the utility has required government authorization to provide utility service.

SO DOC 16C-501.2
NYCRR

501.2 Construction of facilities.

(a) Facilities within highway. All water-works corporations subject to the jurisdiction of this commission shall hereafter furnish, place, construct, operate, maintain and when necessary replace at their own cost and expense all mains, service pipes, service connections and other facilities within the territorial limits of any street, avenue, road or way that is for any highway purpose under the jurisdiction of the legislative body of any city, town, village, county or the State of New York, or other public place open to the general public for highway purposes, provided all necessary easements are furnished without cost to such corporation.

(b) Facilities outside highway. Where such facilities will be constructed without the territorial limits of any street, avenue, road or way, or other public place open for highway purposes, the applicant shall be allowed to construct the facilities, where such dilengement* results in lower cost or better time performance, using contractors and materials acceptable to the water-works corporation, pursuant to its water system specifications, based on safety and compatibility and, as to contractors, reputable past performance, and subject to inspection and approval by the water-works corporation based on such
specifications. The additional cost of said inspections is to be paid by
the applicant.

* So in original

SO DOC 16C-501.3                                NYCRR

501.3 Applicant within specified distance. Upon written application of
the owner or occupant of any property abutting on any such street,
avenue, road or way or other public place within the distance specified
in section 501.4(d) of this Part of any main of a water-works
corporation, appropriate to the service requested, such water-works
corporation shall furnish, place and construct at its own cost and
expense such mains, service pipes, service connections and facilities as
are necessary to render the service requested.

SO DOC 16C-501.4                                NYCRR

501.4 Applicant beyond specified distance. Whenever an owner or
occupant of any property abutting on any street, avenue, road or way or
other public place as hereinbefore defined in which there is no water
main within the distance specified in subdivision (d) of this section
from said property makes a written application for service to the
water-works corporation having authority to render service to said
applicant, such corporation shall extend its system so as to serve said
property, provided:

(a) Said applicant shall first have assured said corporation that he
will be a reasonably permanent customer by meeting the following
conditions:

(1) the applicant will own or occupy a premises in a permanent
structure and on a building lot which both comply with governmental
building codes and requirements;

(2) the applicant will take service for at least one year continually
on an annual or seasonal basis; and

(3) the applicant will take service within 60 days of completion of
the main extension.

(b) The applicant shall first have executed an agreement, the terms of
which shall provide substantially as follows:

(1) applicant shall agree to pay to said corporation the rates charged
to customers served under section 501.3 of this Part and in addition a
surcharge of 19 percent (return, depreciation, taxes and maintenance)
per year of the actual, reasonable cost of such portion of said main
extension (excluding the cost of any service pipe, hydrants, and their
accessories) that is in excess of the distance specified in subdivision
(d) of this section from the end of the nearest water main appropriate
to the service requested if the size of said extension be six inches or
less in nominal diameter or if the service requested requires a main
larger than six inches in diameter or 19 percent of the estimated cost
of a six-inch main if said corporation lays a main greater than six
inches in diameter when not necessary for the service requested;
provided, however, that said surcharge shall begin at the date when
water service is first available to the applicant and shall cease 10
years from that date;

(2) whenever more than one customer shall be connected to said
extension, said surcharge shall be so adjusted as to yield to said
corporation not more than 19 percent in any one year from all
customers served from said extension and said surcharge shall be
reasonably allocated to the several customers served from said
extension, taking into account that the distance of main hereinafter
specified and a service are to be allowed without surcharge for each
customer connected thereto;

(3) whenever the number of customers on a main extension multiplied by
the distance specified hereinafter shall equal or exceed the length of
the main extension, all surcharges shall cease; and

(4) in lieu of the above surcharge, the applicant may at his option
pay the cost of the main extension in excess of the distance hereinafter
specified subject to annual refunds without interest related to the
number of new customers added to the extension each year multiplied by
the distance hereinafter specified; however, refunds shall cease after
10 years or when the total of all refunds equals the amount of the
original payment made by the applicant.

(c) The applicant shall first have furnished reasonable security as to
performance of his agreement if so required by said water-works
corporation; said reasonable security as to performance shall be by
advance payment of the surcharge for a period not to exceed one year, or
where an applicant's premises does not yet exist, by completion of the
foundation and construction of a substantial portion of the premises
framing before main extension construction is commenced, or by deposit
by the applicant of the entire estimated cost of the extension until
said premises construction is complete.

(d) The specified distance allowed for each applicant taking service
from the main extension shall be 75 feet for "Class A" water-works
corporations as defined in the Uniform System of Accounts and section
561.1 of this Title. For corporations that do not qualify as "Class A"
corporations, the Commission staff may allow a main extension of less
than 75 feet, at the corporation's request, based on the corporation's
financial ability and existing investment in main.

501.5 Maintenance of service line beyond highway limits. That portion
of the service pipe without the limits of a street, avenue, road or way
as hereinbefore defined or easement area shall be provided, placed,
constructed and maintained by the property owner or the customer but in
accordance with such reasonable specification for the construction and
maintenance thereof as may be filed in the tariff schedules of said
water-works corporation.

501.6 Cost of installation before service required. Whenever, at the
request of an owner or occupant, a service pipe is provided through
which service is not immediately desired, said property owner or
 occupant shall bear the entire reasonable expense of providing, placing
and constructing the service pipe and accessories, but he shall be
entitled to a refund whenever water service is begun for such part of
the expense as the water-works corporation is hereinbefore required to
assume. Such refund shall be the cost of said service pipe and
accessories, less depreciation at the rate of three percent per annum
for the period which said pipe has been in the ground.

501.7 Responsibility for maintenance and replacement. All water-works
corporations shall hereafter be solely responsible for the maintenance
and replacement of all mains, service pipes and facilities placed within
a street, avenue, road or way as hereinbefore defined or easement area
used by said water-works corporations for supplying water to its
customers; and if adequate maintenance requires the reconstruction or
replacement of such mains, service pipes and facilities, said mains, service pipes and facilities shall be reconstructed or replaced by the water-works corporation responsible for maintenance as hereinbefore provided. However, replacement or reconstruction of mains and service pipes less than two inches in diameter in excess of 75 feet in length heretofore installed and privately owned, shall be governed by the provisions of section 501.4 of this Part.

501.8 Applicants who cannot qualify as reasonably permanent customers. An applicant who cannot qualify as a reasonably permanent customer may be required to deposit the entire cost of the main extension and installed services with the water-works corporation. The portion of the deposit related to the length of main extension within the specified distance, as set forth in section 501.4(d) of this Part, and the cost of the service, hydrants and accessories shall be refunded without interest within 30 days of the applicant taking service and demonstrating reasonable permanency. For developers who are subdividing or preparing real estate for residential or commercial occupancy, who require the installation of utility plant in advance of occupancy, the water-works corporation may retain as a deposit the cost of the entire extension, subject to annual refunds without interest determined as the proportion of the number of customers connected to the extension that year multiplied by the distance specified in section 501.4(d) of this Part, related to the total extension length. No further refunds will be made after five years after the date construction of the extension is completed and approved or after the total of all refunds equals the amount of the deposit.

501.9 Filing of main extension agreements. All line extensions shall require a line extension agreement setting forth the terms and conditions under which the extension will be made, duly signed by the water-works and applicant. No charges or conditions shall be obtained from or imposed upon the applicant for the provision and extension of water service, other than those contained in the line extension agreement in compliance with the water-works tariff or as approved by the commission. One copy of each main extension agreement shall be filed with the commission within 30 days of execution; or where such agreements may exceed ten in number in any calendar year, the utility may instead maintain a file at company offices of such agreements and file a summary of such agreements by January 31 of the following year.

501.10 Petition for waiver. As provided in Part 5 of this Title, petition may be made in writing in a specific case for waiver, modification or relief from any of the provisions of these rules by stating the supporting facts and reasons for waiver. However, such petition shall not be made for waiver of Part 501 until the water-works has first obtained approval by the Department of Environmental Conservation and the town of service area modification which may be necessary to include the applicant within the water-works' service area or franchised service territory. Nor shall the petition for waiver contain provisions which would not reasonably apply to any other similar applicant, or in any way be discriminatory.
CONSTRUCTION AND MAINTENANCE OF SERVICE PIPES
(Statutory authority: Public Service Law, § 89-c (1))

Sec.
502.1 Standards
502.2 Maintenance of utility-owned service pipe
502.3 Rules to be printed on application form
502.4 Exceptions

Section 502.1 Standards. Every water-works corporation shall on or before November 15, 1935, submit for the approval of this commission proposed amendments to its tariff schedules setting forth rules and regulations covering the construction and maintenance of service pipes, such rules and regulations, among other things, to provide:

(a) The minimum depth at which all service pipes shall be laid. The depth so fixed to be sufficient to prevent freezing.

(b) The size and kind of pipe and apparatus to be installed, service pipes to be at least three-quarters inch in diameter except under unusual circumstances which shall be clearly defined.

(c) All connections of service pipes with the transmission mains where the covering over the main is less than five foot shall be made on the side of the main and the service pipe shall in no case have less covering than the main.

Section 502.2 Maintenance of utility-owned service pipe. Such rules and regulations shall in no event require the consumer to maintain any service pipe owned by the water-works corporation.

Section 502.3 Rules to be printed on application form. Such rules and regulations shall either be printed on the service application form or shall be printed on a folder which shall be delivered to every applicant for service.

Section 502.4 Exceptions. Water-works corporations having now on file with this commission rules and regulations in connection with the construction and maintenance of service pipe need not submit such rules except when amendments are necessary to comply with the requirements of this Part.

PART 503
SERVICE STANDARDS
(Statutory authority: Public Service Law, §§ 89-b[1], 89-c[1], [2])

Sec.
503.1 General
503.2 System pressures
503.3 Interruptions of service
503.4 Quantity of supply
503.5 Atmospheric storage
503.6 Valves, blow-offs and hydrants
503.7 Flushing
503.8 Lost and unaccounted-for water
503.9 Maps and records
503.10 Inspection of new plant facilities
503.11 Maintenance of records
Section 503.1 General.

The provisions of this Part shall apply to water corporations providing service to 4,000 or more year-round customers. The standards relating to service interruptions contained in section 503.3 of this Part shall apply to all water corporations under the commission's jurisdiction. In providing service to its customers each water corporation shall comply with the recommended standards for waterworks, policies for the review and approval of plans and specifications for public water supplies, 1987 Edition (hereinafter referred to as the Ten State Standards) as described in section 10.3 of this Title. The text of the Ten State Standards appears in 16 NYCRR section 5-1.22(b) of this Title. The text of the Ten State Standards appears in 16 NYCRR section 5-1.22(b) of this Title, Appendix 5-A. Compliance with the standards in this Part does not release a water corporation from complying with all other applicable laws, rules and regulations as promulgated by other governmental bodies. Nor does compliance with these standards release a water corporation from implementing other operating practices, maintenance programs or planning measures which may be necessary to preserve the immediate or long-term viability of the water system and to provide safe and adequate service to its customers.

503.2 System pressures.

(a) System pressures. Minimum working pressure (the pressure under all conditions except fire flows) in all portions of the water corporation's distribution system should not be less than 35 pounds per square inch (psi). Additionally, for new water plant construction designed to serve five or more customers, the minimum design pressure should also be an amount that, upon calculation, would theoretically be sufficient to maintain 15 psi at an 8 gallons per minute (gpm) flow at the meter. If this condition is not met, but the pressure on the company's main in the immediate area satisfies the 35 psi requirement (or has been exempted from such requirement by the commission), it will be the responsibility of the developer/owner of new properties requesting service to make all modifications necessary to meet the pressure and flow standard required at the meter. The maximum customer pressure at the building line should be 100 psi, except where differences in elevation require pressure higher than 100 psi in order to meet the minimum working pressure in other parts of the distribution system. In such cases where the system pressure exceeds 100 psi, the company should attempt to reduce the pressure to 100 psi by creating a separate pressure zone or installing pressure-reducing valves in the distribution system. If a company can demonstrate that this is impractical due to excessive cost or engineering considerations, the customer will have the option of installing an individual pressure-reducing valve. The customer exercising this option will be responsible for purchasing, maintaining and replacing such valve, and all costs associated therewith.

(b) Monitoring requirements. Each water corporation shall have the necessary equipment to record an individual customer's pressure and to make pressure surveys and record at least a 24-hour continuous test. Each water corporation shall monitor the system pressure in each pressure zone at or near the point of highest elevation in the zone, where the lowest pressures can be expected to be experienced, and shall report to the department on a monthly basis each instance when the pressure drops below the minimum working pressure as previously specified for a period of four hours or longer. Likewise, pressure will
be monitored in each pressure zone at or near the point of the lowest
elevation in the zone where the highest pressures can be expected to be
experienced. This monitoring requirement may be satisfied by using the
readings taken at one of the water corporation's regular operating
stations provided that the water corporation can demonstrate that it can
accurately extrapolate the pressures at the highest and lowest
elevations from such readings.

SO DOC 16C-503.3

503.3* Interruptions of service.

(a) Interruptions of service. Each water corporation shall make
reasonable efforts to prevent interruptions of service. When
interruption occurs, the water corporation shall reestablish service
within the shortest possible time period consistent with the general
safety and public welfare. Whenever service is to be interrupted for the
purpose of scheduled maintenance, this work shall be done at a time
which will cause the least inconvenience to customers provided that the
schedule is compatible with local ordinances and does not result in
substantial additional costs.

(b) Monitoring requirements. A record shall be kept by each water
corporation of all interruptions to service having a duration of one
hour or more, from any cause whatsoever, except those resulting from
violation of the company's filed tariff regulations or
customer-requested disconnections. Such records shall describe the
nature, location, time, cause, extent and duration of the interruption.
A record of that information shall be open for public as well as
department inspection during the water corporation's normal business
hours. Each water corporation shall immediately notify the fire
department of each municipality affected, and upon written request of
the municipality concerned the police department as well, of existing
and/or proposed interruptions to service which may affect the continuity
of service to fire flows for a period of one hour or longer. Where
planned interruptions in water service, which are likely to exceed one
hour in duration are anticipated, all customers who will be affected
thereby shall be notified at least four hours in advance to permit them
to prepare for the interruption in water service. As used in this
section, a planned interruption is any interruption of which the company
has prior knowledge and which has an anticipated time and duration. This
would normally include all interruptions which are not of an emergency
nature. Immediate notice by telephone or telefacsimile shall be given to
the department by each water corporation of all interruptions to, or
major impairments of, service of a duration of four hours or more which
affect the continuity of service to five or more customers or one
percent of the total number of customers served, whichever is larger, or
which affect available fire flows. Notice shall also be given of any
accident or damage to portions of the plant which might lead to such
interruptions of service. If such interruption occurs after 4:45 p.m.
and before 8:30 a.m., and notice is to be transmitted by telephone, such
notice shall be given promptly on the next business day following the
interruption. A written report of all such interruptions shall be filed
with the department within five business days following that in which
the interruption occurred.

* Applies to all water corporations regardless of size.

SO DOC 16C-503.4

503.4 Quantity of supply.
(a) Quantity of supply. Every water corporation will file with the department a copy of its emergency plan for maintaining a reasonable supply of water during a drought or other emergency affecting the maintenance and delivery of a safe and adequate supply of potable water. A water corporation may submit a copy of the plan filed with and approved by the State Department of Health pursuant to 10 NYCRR 5-1.33. The plan will include provisions for implementing water use restrictions and other conservation measures and for utilizing alternate and existing or potential emergency supplies.

(b) Surface sources. Each water corporation that employs a surface source of supply shall comply with the provisions of the Ten State Standards, with the additional requirement that the maximum projected demand shall take into consideration forecasted growth or decline in both the number of customers and in system usage for at least a 10-year period into the future. Also, such projections shall be updated on an ongoing basis and where they show that demand will exceed supply, the water corporation shall undertake all reasonable efforts to reduce and control future demands to bring them into balance with supply. If appropriate, the water corporation shall develop plans, consistent with existing State requirements, to secure additional supply.

(c) Groundwater sources. Each water corporation that employs groundwater sources of supply shall comply with the appropriate provisions of the Ten State Standards with the additional requirement that the numbers used for design average and maximum day demand shall reflect a projection of growth or decline in the number of customers and in system usage for at least a 10-year period into the future. Also, such projections shall be updated on an ongoing basis and where they show that demand will exceed supply the water corporation shall begin measures to control demand or, if appropriate, secure additional supply.

(d) Monitoring requirements. (1) Surface sources. Each water corporation shall submit to the department for approval as soon as possible, but no later than one year after the effective date of these standards, a plan to monitor source capacity and establish warning levels for declining source capacity. The plan's warning levels should be based upon original design demand and historical source levels so as to provide a warning when the source capacity falls below design capacity. Once the plan is implemented, which must occur no later than two years after the effective date of these standards, daily records shall be kept indicating source level or capacity, date, and location of reading for each source. The department shall be notified within one business day whenever the source level falls below the established warning levels.

(2) Groundwater sources. Each water corporation having a groundwater source shall equip each of its well pumps with a timing device which indicates time operated on a 24-hour basis. Each company shall have the resources to meter the discharge of each well under normal operating conditions. Readings shall be taken and recorded on a daily basis and shall indicate the discharge of each well or group of wells on a common discharge line, time of operation, well identification, date and time of day recorded. The chart produced by an automatic flow recording device shall be sufficient to satisfy this requirement. For the purposes of this rule, a group of wells from which water is withdrawn by a common source of suction shall be considered a single well. Production meters shall be calibrated every two years. At least once every three years
each water corporation will conduct tests to determine the specific capacity of each well authorized for use and the actual capacity of each well's pump. As used in this Part, specific capacity shall refer to the yield of a well in gallons per minute per foot of drawdown. The results of these tests will be reported to the department within 10 business days if the specific capacity results indicate a 10 percent or greater decrease in specific capacity as compared with rated specific capacity or if the well pump capacity is less than 80 percent of the design rated capacity. The rated specific capacity of each source will be reported to this department within three months of enactment of these standards. Any changes in rated specific capacity of any source must be reported to this department within 10 business days.

(3) Additional monitoring requirements – total production. The average day design demand and maximum day design demand will be reported to this department within three months of enactment of these standards. The department will also be notified whenever:

(i) actual maximum day production exceeds maximum day design demand; or

(ii) actual average day production exceeds average day design demand on an annual basis.

SO DOC 16C-503.5

503.5 Atmospheric storage. The water level in all storage facilities shall be monitored twice daily, at those points in time at which the greatest and least amount of storage is normally found to exist, and records kept of levels by date and time or by continuous recording chart. The department will be notified annually by January 31st of the subsequent year whenever actual average day demand on an annual basis for systems supplied by wells exceeds total storage capacity plus the supply available from approved emergency interconnections, standby power and alternate sources.

SO DOC 16C-503.6

503.6 Valves, blow-offs and hydrants. (a) Valves and blow-offs. Each water corporation shall have a program to test each valve and blow-off and implement such program so that each valve and blow-off is tested at least once every five years. Upon staff's request, the details of the program will be submitted for its review and approval. Implementation of this program will begin no later than two years after the effective date of these standards. The provisions of this section shall not be applicable to service line valves.

(b) Hydrants. Each water corporation which provides public fire protection shall have a program to inspect and test each hydrant a minimum of once every three years with a minimum of one-third of the hydrants being inspected and tested annually. The method of inspecting and testing each hydrant will conform to the American Water Works Association Manual M-17, third edition, printed in 1989 and entitled Installation, Field Testing and Maintenance of Fire Hydrants, as described in section 10.3 of this Title. The implementation of this program will begin no later than two years after the effective date of these standards.

(c) Monitoring requirements. (1) Valves and blow-offs. The department shall be notified by January 31st of the subsequent year whenever the number of either valves or blow-offs not completely functional/operable and accessible exceeds five percent of the total of each tested during the preceding year, and the water corporation shall at the same time
provide its plan for rectifying the problem and returning the system to compliance.

(2) Hydrants. The department shall be notified by January 31st of the subsequent year whenever the number of hydrants not completely functional/operable and accessible exceeds the limitations set forth in the table below on a proportionate basis for the number of hydrants tested during the preceding year. The department reserves the right to require more frequent testing should these limitations be exceeded.

<table>
<thead>
<tr>
<th>Number of hydrants in system</th>
<th>Percent and number limit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 500</td>
<td>5% not to exceed 15</td>
</tr>
<tr>
<td>500 to 1,000</td>
<td>3% not to exceed 21</td>
</tr>
<tr>
<td>1,001 to 5,000</td>
<td>2% not to exceed 24</td>
</tr>
<tr>
<td>Over 5,000</td>
<td>0.5% of all hydrants</td>
</tr>
</tbody>
</table>

SO DOC 16C-503.7
503.7 Flushing.

(a) Flushing. Each water corporation will have a properly engineered written flushing program and, upon staff's request, will submit the details of that program to staff for its review and approval. Each water corporation should flush its transmission and distribution system a minimum of once a year, except where it can be demonstrated that a particular system or portion thereof does not require flushing. This program shall be implemented no later than two years after the effective date of these standards.

(b) Monitoring requirements. Each water corporation shall maintain a record of the date, time and duration of each flushing sequence.

SO DOC 16C-503.8
503.8 Lost and unaccounted-for water.

(a) Lost and unaccounted-for water. Each water corporation shall maintain records on an annual basis of nonrevenue producing water use and shall use prudent means to minimize lost and unaccounted-for water.

(b) Monitoring requirements. Each water corporation shall notify this department when annual nonrevenue producing water use, which would include lost and unaccounted-for water as well as other nonmetered uses of water, exceeds 18 percent of annual production. This notification will also include specific measures being taken to reduce nonrevenue producing water use to acceptable levels and a description of any significant event that impacted this level.

SO DOC 16C-503.9
503.9 Maps and records.

(a) Maps and records. (1) Each water corporation shall maintain accurate, to scale, up-to-date maps which shall show the service territory.

(2) Each water corporation shall also maintain accurate, to scale, up-to-date supply diagrams and distribution maps which shall, at a minimum, include the relative locations and capacities of major sources of supply and production facilities, pumping stations, treatment plants, storage facilities, and transmission and distribution mains. The water corporation shall retain such maps and other information, as necessary, to enable it to promptly and accurately identify the location of mains, services, valves, hydrants and blow-offs.

(3) Records shall be kept for each valve, hydrant and service connection. Records for valves and service connections (including curbstops) will include the size and location while records for hydrants will include the size, location, manufacturer and identification number.
(b) Monitoring requirements. A map or maps showing the location of sources, storage, pump stations and the principal transmission and distribution mains within the service territory shall be submitted to the department as soon as possible but no later than one year after the effective date of these standards. Maps showing additions and significant changes thereto in each calendar year shall be submitted by March 31st of each succeeding year. If there are no changes in such calendar year, the water corporation shall simply notify the department in writing of this fact. Because of the necessity of such maps, any water corporation not possessing same shall begin an immediate program to prepare and file them. In the event such maps cannot be filed within the above-stated period, the water corporation shall request department approval for additional time to submit the maps. This request must be made within three months of the effective date of these standards.

503.10 Inspection of new plant facilities.

(a) Inspection of new plant facilities. No plant additions including backbone plant, storage, transmission and distribution mains shall be placed in service and no additional customers may be served until such additions have been inspected by qualified water corporation personnel under the direct supervision of an engineer licensed to practice in the State of New York. Construction of plant not being done by the water corporation which will become its property, such as construction by a real estate developer, will be inspected by qualified water corporation personnel or a representative of the water corporation under the direct supervision of an engineer licensed to practice in the State of New York and the water corporation shall be reimbursed for the costs of such inspection by the developer who is building the plant.

(b) Monitoring requirements. Inspection reports, which will include job identification, materials installed by billing units (where applicable) such as linear feet of pipe, number of valves and size etc., location of plant by physical measurements in the field and description of progress and quality of work performed, shall be maintained in the files for each job inspected.

503.11 Maintenance of records. All records related to these service standards shall be available for inspection by staff of the department at an office of the water corporation in the county in which the waterworks is located. In addition, these records shall be kept on file for a period of six years.

504.1 Notice

Any customer may discontinue water service by giving written notice to the company, said notice to be in accordance with the schedule of the company filed with the Public Service Commission, which shall provide for not more than 30 days' notice of
said discontinuance.

504.2 Liability to cease.
All liability for charges for service rendered after the discontinuance of service as herein provided for shall cease.

504.3 Refund of advance payment.
Upon the discontinuance of service, as herein provided for, the company shall promptly refund to the customer the pro rata amount of every advance payment for any service after said discontinuance, said refund to be based upon the relation of the period after the discontinuance of service to the entire period for which said advance payment was made, after deducting the proper charge for any water consumed.

504.4 Classes of service not affected. The above sections as to notice of discontinuance of service and refunds for advance payments do not apply to the following classes of service when such services are the only ones rendered:
(a) seasonal occupancy;
(b) private fire protection;
(c) air conditioning or refrigeration.

PART 510
CONSUMER DEPOSITS--WATERWORKS CORPORATIONS
(Statutory authority: Public Service Law, ñ 36[3], 66, 80, 89-c, 97, 117)

Sec.
510.1 Records
510.2 Index of consumers
510.3 Interest
510.4 Application of deposit to unpaid bill
510.5 Refund
510.6 Certificate of deposit
510.7 Refund without certificate of deposit
510.8 Circular containing terms of deposit
510.9 Special rule for residential customers who transfer dwelling units
510.10 Exceptions

Section 510.1 Records.
Each and every waterworks corporation holding consumer deposits shall keep such records as will show, with respect to each deposit:
(a) the name of the consumer making the deposit;
(b) the address (including street and number) of each depositor, if known;
(c) the date of receipt of the deposit;
(d) the amount of the deposit;
(e) the interest accrued upon the deposit to be entered biennially or more frequently;
(f) all credits of interest made in reduction of amounts billed for service rendered, and the dates of such credits;
(g) all payments of interest made on each deposit, and the dates of such payments;
(h) deductions representing sums due and unpaid to the corporation when depositor ceased to be a consumer, and the date thereof, together with such other information as any such corporation may deem necessary to make a complete record of each deposit.

510.2 Index of consumers.

Each and every waterworks corporation holding consumer deposits shall keep, in addition to the records prescribed in section 510.1 of this Part, an index or indices, alphabetically or geographically arranged, which shall show at all times the name of each consumer from whom a deposit has been exacted, and whose said deposit or any part thereof remains unpaid, with appropriate reference in such index to the consumer's account.

510.3 Interest.

Each and every waterworks corporation holding consumer deposits shall allow to each depositor simple interest on the amount deposited. The interest rate to be applied to the amount deposited shall be a composite yield of intermediate term, A-rated corporate bonds, as reported in financial publications, less costs of administering deposits of 1.75 per centum per annum. The rate shall be updated effective January 1st each year, based upon yield information available on the first Friday of October of the preceding year. The Commission will issue an advisory letter which publicizes the information to assure consistency. Each corporation shall credit such interest to each depositor whose deposit shall have been held for one or more years by paying such interest in cash or deducting it from the amount of a bill for water service rendered such depositor thereafter, but not later than the next bill rendered after the next succeeding first day of October and at each one-year interval thereafter.

510.4 Application of deposit to unpaid bill. Each and every waterworks corporation holding consumer deposits shall render to each depositor, when and as his deposit is applied to an unpaid bill or bills, a statement showing:

(a) the bill or bills then due and unpaid;
(b) the amount thereof;
(c) the amount of the deposit, together with the interest accrued thereon and the period covered thereby; and
(d) the balance of the bill or bills remaining unpaid or the balance of the deposit and interest thereon remaining to the credit of the depositor.

510.5 Refund. Each and every waterworks corporation holding consumer deposits shall render to each depositor, when his deposit is refunded, a statement showing the amount of the deposit and the date thereof; the amount of unpaid interest accrued thereon to date of the refund and the period covered thereby; and the amount of deposit and interest refunded. Each depositor upon becoming entitled thereto either by reason of nondelinquency for one year or upon ceasing to be a consumer may withdraw his deposit and all interest thereon which has not been refunded or credited against bills for service upon surrendering his deposit certificate (or submitting satisfactory proof of ownership of the deposit or of the right to receive the same) and the payment of all
bills for which such deposit is security. The "prudent" period of deposit retention, referred to in Public Service Law, section 117, may not exceed two years of nondelinquency in the payment of bills rendered.

510.6 Certificate of deposit. Each and every waterworks corporation holding consumer deposits shall issue to every consumer from whom a deposit may be exacted a certificate of deposit for which shall be used a good quality of paper and on which certificate there shall be printed, in addition to the receipt for the moneys deposited, the substance of the following:

This receipt is not negotiable or transferable

Interest will be allowed on this deposit so long as it shall remain with the corporation. When this deposit has been held for one year, interest thereon will be paid in cash or credited on a bill for service rendered the depositor thereafter, but not later than the first bill rendered, after the next succeeding first day of October and at the expiration of each succeeding one-year period.

Preserve this receipt to be surrendered when deposit is returned.

510.7 Refund without certificate of deposit. Each and every waterworks corporation holding consumer deposits shall provide reasonable ways and means, in such manner as such corporation may elect, whereby a depositor who makes application for the return of his deposit and is entitled to the return thereof, but who is unable to produce the original certificate of deposit or receipt, may not be deprived of his rights.

510.8 Circular containing terms of deposit. Each and every waterworks corporation holding consumer deposits shall keep on hand for distribution to its consumers printed circulars, over its corporate or business name, which circulars shall be entitled "TERMS AND CONDITIONS UPON WHICH CONSUMERS' DEPOSITS ARE COLLECTED, HELD, AND MAY BE WITHDRAWN" and which shall contain a copy of this Part, a copy of Public Service Law, section 117 (as added by L. 1976, ch. 557) and such other pertinent information as the corporation may elect. Every such corporation, prior to or upon exacting a deposit, shall furnish a copy of said circular to the consumer or applicant for service from whom a deposit is demanded.

510.9 Special rule for residential customers who transfer dwelling units.

No waterworks corporation may require a deposit of a residential customer where such customer transfers residences within such corporation's service territory and continues service with such corporation if the residential customer was not required to post a security deposit or had a security deposit returned pursuant to section 117 of the Public Service Law.

510.10 Exceptions. Sections 510.4-510.9 do not apply to residential customers of any waterworks corporation that is covered by Part 14 of this Title.

SUBCHAPTER B
Securities
PART
520 Notice of Issuance by Waterworks Corporations of Stocks, Bonds, Notes or Other Evidences of Indebtedness

PART 520
NOTICE OF ISSUANCE BY WATERWORKS CORPORATIONS OF STOCKS, BONDS, NOTES OR OTHER EVIDENCES OF INDEBTEDNESS
(Statutory authority: Public Service Law, § 89-f)

Sec. 520.1 Contents of notice
520.2 Issuance not heretofore reported

Section 520.1 Contents of notice.

Pursuant to the provisions of section 89-f of the Public Service Law, as amended, every waterworks corporation subject to said section, after the issuance or assumption of stocks, bonds, notes or other evidences of indebtedness, including bond, notes or other evidences of indebtedness payable on demand or within less than 12 months, shall file with this commission a notice of such transaction within the time and in the form specified in the following:

(a) Name of reporting utility (indicate whether corporation, partnership, individual, or other party).
(b) Address of reporting utility.
(c) The name of the official responsible for statements submitted and to whom should be addressed any correspondence relating thereto.
(d) Date of the report.
(e) Period covered by the report (both dates inclusive where applicable).
(f) Information regarding securities or obligations issued.
   (i) Pursuant to authority granted by order of this commission:
      (i) Notice of issuance shall be filed within the period specified in the order approving the issuance of the securities or obligations.
      (ii) Issuance of capital stock, in exchange for convertible securities issued pursuant to commission authorization, may be reported annually, not later than 60 days after the end of the calendar year covered by the report; such report to show only the number of shares of such stock issued during such calendar year, the securities retired by reason of the exchange, and the additional consideration realized, if any, by reason of the exchange.
      (iii) For each type of security or obligation, include the following information, as appropriate:
         (a) Designation of security--classified according to distinguishing characteristics, such as class of stock of par value or no par value and dividend rate of preferred stock, or character of debt obligation and interest rate or maturity date or other distinguishing characteristic.
         (b) Date of actual issue or assumption.
         (c) Number of shares of each class of stock or principal amount of each debt obligation issued.
         (d) Consideration realized from each class or type of security (if consideration is other than cash, give description and basis of value).
         (e) Case number and date of order of this commission under which the security issue was authorized.
   (2) Securities issued or assumed under circumstances not requiring the formal approval of this commission, such as obligations (real estate mortgages, chattel mortgages, conditional sale agreements, promissory
notes, etc.) having a term of less than 12 months:

(i) Notice of issuance shall set forth the transaction covering obligations issued during each calendar month and shall be filed not later than 10 days after the end of the calendar month covered by such period.

(ii) For each type of obligation of $10,000 or more, include the following information as appropriate:

(a) Designation of the obligation giving descriptive distinguishing characteristics. Include description of real estate mortgage, chattel mortgage, conditional sale agreement, or any hypothecation of assets given in connection with the obligation.

(b) Date of actual issue or assumption.

(c) Name of payee.

(d) Principal or face amount.

(e) Rate of interest.

(f) Date of maturity (if demand so specify) or schedule of periodic payments.

(g) Names of endorsers, if any.

(h) Consideration realized from issuance of the obligation.

(i) Purpose for which the obligation was issued; if for cash indicate the use to which the proceeds are to be applied.

(j) State whether the obligation represents an increase of indebtedness or an obligation given in renewal of existing obligations or in cancellation of accounts payable. For renewals of obligations of $10,000 face amount or more, give the dates and amounts of the obligations for which the renewal obligation is in whole or in part to be substituted; for renewals of obligations of less than $10,000 face amount, give the date or month of issuance, the rate of interest, date or month of maturity and the total amount of the obligations for which the renewal obligations is in whole or in part to be substituted. (See subparagraph (iv) of this paragraph).

(iii) For each type of obligation of less than $10,000 face amount list the information required in subparagraph (ii) of this paragraph or group each type of obligation of less than $10,000 face amount which is identical except for the payee, the exact date of issue or assumption within any one calendar month and the exact date of maturity within any one calendar month. Report for each group the information required in subparagraph (ii) (a), (e), (g), (h), (i) and (j) of this paragraph but substitute for subparagraph (ii) (b), (c), (d) and (f) the following:

(b) month of actual issue or assumption, (c) number of obligations, (d) amount of indebtedness and (f) the month and year of maturity (if demand so specify).

(iv) Report the outstanding obligations as of the final date of the period covered by the notice of issuance. List the date of actual issue or assumption, principal or face amount and rate of interest of all obligations reported pursuant to subparagraph (ii) of this paragraph. For obligations reported pursuant to subparagraph (iii) of this paragraph list the date or month of actual issue or assumption, the rate of interest of each obligation or group of obligations and the amount of each obligation or group of obligations outstanding.

(3) For any other class of securities, give corresponding particulars, not later than 10 days after the end of the calendar month in which issued or assumed, to the end that the commission may be fully advised as to the nature of the transaction and purpose for which obligations
were incurred or securities were issued and the proceeds therefrom are to be used.

(g) Each notice of issuance of securities or obligations shall be subscribed by an executive officer of the corporation, a member of the partnership, the individual owner, or other party of the utility in behalf of which the notice is filed, and affirmed by such person as true under the penalties of perjury.

520.2 Issuance not heretofore reported.
Every such public utility which has not filed with this commission a notice of the issuance of any stocks, bonds, notes, or other evidences of indebtedness now outstanding and issued with or without the approval of this commission shall, within 30 days from the date of service of a copy of this order, file a notice of each such transaction in the form prescribed herein.

SUBCHAPTER C
Rates and Charges

PART 530 (Reserved)
531 Penalties and Discounts---Consumers' Bills---Waterworks Corporations
532 Advance Billing---Certain Waterworks Corporations
533 Notices of Discontinuance and Complaint Procedures
534 Interest on Customer Overpayments to Water Utilities

PART 531
PENALTIES AND DISCOUNTS---CONSUMERS' BILLS---WATERWORKS CORPORATIONS
(Statutory authority: Public Service Law, § 89-c)

Sec.
531.1 Late payment charge
531.2 Contents of bill
531.3 Amount of late payment charge
531.4 Contents of rate schedules
531.5 Increase in rates prohibited

Section 531.1 Late payment charge. Any corporation, partnership or person furnishing water service may impose a late payment charge, either one-time or continuing interest type, because of the failure of any customer to pay a bill for such service within a specified period therein stated. This section does not apply to residential customers of any waterworks corporation that is covered by Part 14 of this Title.

531.2 Contents of bill. If any corporation, partnership or person furnishing water service elects to impose a one-time charge for late payment for such service, it shall show on each bill the amount billed, the amount that will be due, including the late payment charge, when the late payment charge becomes applicable. This section does not apply to residential customers of any waterworks corporation that is covered by Part 14 of this Title.

531.3 Amount of late payment charge. If a one-time late payment charge may be imposed, it shall not exceed 10 percent on the first $10 (except that a minimum charge may be made of not to exceed 15 cents per bill), plus not to exceed three percent on that portion of the bill over $10.
531.4 Contents of rate schedules. In case a one-time late payment charge is imposed, the rate schedules shall show the rates for service, the amount due including the late payment charge when the charge becomes applicable, and the period during which the bill may be paid without the imposition of the late payment charge.

531.5 Increase in rates prohibited. No corporation, partnership or person furnishing gas, electric, steam or water service shall so revise or redraft its rate schedules in compliance with this Part as to increase the rates for service applicable to any customer as compared with the rates now in effect without special permission of the commission.

PART 532
ADVANCE BILLING--CERTAIN WATERWORKS CORPORATIONS
(Statutory authority: Public Service Law, § 89-c)

Sec.
532.1 Quarterly and semiannually
532.2 Fire protection

Section 532.1 Quarterly and semiannually. All waterworks corporations having average annual water operating revenues of $100,000 or over are hereby prohibited from rendering bills to consumers for periods longer than quarterly in advance of service, except companies billing semiannually in the middle of the service period.

532.2 Fire protection. This Part shall not apply to bills for public and private fire protection.

PART 533
NOTICES OF DISCONTINUANCE AND COMPLAINT PROCEDURES
(Statutory authority: Public Service Law, § 4, 20, 89-c, 89-i, 89-j)

Sec.
533.1 Exceptions
533.2 Notice of discontinuance--time
533.3 Notice of discontinuance--format
533.4 No discontinuance without verification of delinquent account
533.5 Rapid posting of payments in response to notices of discontinuance
533.6 No discontinuance on Saturday, Sunday, public holiday, or day on which the main business office of the company is not open for business
533.7 No additional notice required when payment by check is subsequently dishonored
533.8 Discontinuance of service to entire multiple dwellings
533.9 Billing disputes
533.10 Publicizing complaint procedures

Section 533.1 Exceptions. This Part does not apply to residential customers of any waterworks corporation that is covered by Part 14 of this Title.

Section 533.2 Notice of discontinuance--time. (a) No waterworks
corporation shall discontinue the supply of water for nonpayment of bills rendered for service or failure to post a required deposit until either:

1. at least 15 days after written notice has been served personally upon the proper person or persons as hereinafter defined;
2. at least 18 days after mailing written notice in postpaid wrapper to the address of such proper person or persons; or
3. at least 15 days after the proper person or persons has either signed for or refused a registered letter containing written notice, mailed to the address of such proper person or persons.

(b) As used in this Part:

1. The term proper person means:
   (i) either the owner of the premises where service is rendered, or in lieu thereof, the person, firm or corporation to whom or which the last preceding bill has been rendered and from whom or which the waterworks corporation has received payment therefor; and
   (ii) the superintendent or other person in charge of the building or premises where service is rendered, if it can be readily ascertained that there is such superintendent or other person in charge.
2. The term address of such proper person or persons as that term relates to the persons indicated in subparagraph (1)(i) of this subdivision means the address where service is rendered, except that if the proper person has specified to the company in writing an alternate address for billing purposes, such term shall refer to such alternate address.

NYCRR 533.3 Notice of discontinuance--format.

(a) Every notice indicating discontinuance of service shall:
   1. clearly indicate in nontechnical language:
      (i) the reason for service discontinuance;
      (ii) the total amount required to be paid by the customer to avoid discontinuance of service, including the amount for which the customer's account is in arrears or the required deposit, if any, which must be posted by the customer, or both;
      (iii) a method whereby the customer may tender payment of the full sum due and owing, including any required deposit, to avoid the discontinuance of his service;
      (iv) the availability of company procedures to consider customer complaints prior to discontinuance, including the address and phone number of the office of the waterworks company the customer may contact in reference to his account; and
      (v) the earliest date on which discontinuance may be attempted; and
   2. have printed on the face thereof in a size type capable of attracting immediate attention the following:
      "THIS IS A FINAL DISCONNECT NOTICE. TO AVOID INCONVENIENCE, BRING THIS NOTICE TO THE ATTENTION OF THE COMPANY WHEN PAYING THIS BILL."

(b) Where full compliance with subdivision (a) of this section is found by the commission to be infeasible or to impose an unreasonable burden upon the company, the commission may grant a waiver of the requirements of such subdivision upon approval by the commission of an alternate arrangement which accomplishes the basic purposes of this section.

NYCRR 533.4 No discontinuance without verification of delinquent account.
(a) No waterworks corporation shall discontinue service for nonpayment of bills rendered or for failure to post a required deposit unless:
   (1) it shall have verified that payment has not been received at any office of the company or at any office of an authorized collection agent through the end of the notice period required by this Part; and
   (2) it shall have verified on the day disconnection occurs that payment has not been posted to the customer's account as of the opening of business on that day, or, shall have complied with procedures established pursuant to section 533.4(b) of this Part.
   (b) In the case of a company which serves a geographical area of this State involving more than six counties, the commission may grant a waiver of the requirements of subdivision (a) of this section upon approval by the commission of an alternate procedure for verification of payments which accomplishes the basic purposes of that subdivision.

SO DOC 16C-533.5
NYCRR
533.5 Rapid posting of payments in response to notices of discontinuance. Every waterworks corporation shall take reasonable steps to establish procedures to insure that any payments made in response to notices of discontinuance, when the customer brings the fact that such a notice has been issued to the attention of the company or its collection agents, shall either:
   (a) be posted to the customer's account on the day payment is received; or
   (b) be processed in some manner so that discontinuance will not occur.

SO DOC 16C-533.6
NYCRR
533.6 No discontinuance on Saturday, Sunday, public holiday, or day on which the main business office of the company is not open for business. No waterworks corporation shall discontinue service to any person for nonpayment of bills or for failure to post a required deposit on a Saturday, Sunday, public holiday, or day on which the main business office of the company is not open for business. For purposes of this section, "public holiday" shall refer to those holidays enumerated in the General Construction Law.

SO DOC 16C-533.7
NYCRR
533.7 No additional notice required when payment by check is subsequently dishonored. Receipt of a subsequently dishonored negotiable instrument in response to a notice of discontinuance shall not constitute payment of the customer's account, and no waterworks corporation shall be required to issue additional notice prior to discontinuance.

SO DOC 16C-533.8
NYCRR
533.8 Discontinuance of service to entire multiple dwellings.
   (a) No waterworks corporation shall discontinue service to an entire multiple dwelling (as defined in the Multiple Dwelling Law or the Multiple Residence Law) where the owner, person, firm or corporation to whom or which the last preceding bill has been rendered, or from whom or which the waterworks corporation has received payment therefor, has failed to pay such utility bills, until it has complied with the following procedure:
   (1) The waterworks corporation must give 15 days' written notice of its intention to so discontinue by personally serving such notice on the owner of the premises affected or on the person, firm, or corporation to whom or which the last preceding bill was rendered, or from whom or which the utility has received payment therefor, and on the
superintendent or other person in charge of the building, if it can be readily ascertained that there is such superintendent or other person in charge.

(2) The waterworks corporation must give 18 days' written notice to the owner, person, firm or corporation specified in paragraph (1) of this subdivision if such notice is mailed in a postpaid wrapper to the address of such person, firm or corporation.

(3) In addition to the notice prescribed by paragraphs (1) and (2) of this subdivision, 15 days' written notice shall be posted in the public areas of such multiple dwelling, and 18 days' notice shall be mailed to the "Occupant" of each unit in that multiple dwelling, to the local health officer and director of the social services district for the political subdivision in which the multiple dwelling is located; if the multiple dwelling is located in a city or village, to the mayor thereof, or if there be none, to the manager; or, if the multiple dwelling is located in a town, then to the town supervisor; and to the county executive of the county in which the multiple dwelling is located, or if there be none, then to the chairman of such county's legislative body. Notice to the mayors, managers, town supervisors, county executives, and chairmen of county legislatures may be mailed to the persons specified therein or to their designees. Notice to health officers, directors of social services, mayors, managers, supervisors, county executives and chairmen of county legislatures shall be repeated not more than four working days nor less than two working days prior to such discontinuance.

(4) Whenever a notice of intention to discontinue water service has been made pursuant to the provisions of this section and obligations owed the waterworks corporation have been satisfied, the waterworks corporation shall notify, in the same manner as it gave such notice of intention, the occupant of each unit that the intention to discontinue water service no longer exists.

(b) Notwithstanding the provisions contained in subdivision (a) of this section, no waterworks corporation shall discontinue services to a multiple dwelling, where the owner, person, firm or corporation responsible for making payment fails to pay utility bills, as long as occupants of such multiple dwellings continue to make timely payments for such service in accordance with procedures filed by the utility and approved by the Public Service Commission. All notices referred to in subdivision (a) of this section shall contain the intended date of discontinuance of service and a utility contact, including a telephone number, who will advise occupants of the amount due for water service and who will arrange meetings with occupants to attempt to work out a mechanism for avoiding discontinuance of service in the event that the owner continues to fail to make requisite payments or arrangements for such payments. The notice shall also refer to the provisions contained in section 235-a of the New York Real Property Law authorizing occupants to setoff, against their rent, payments to utilities in such circumstances.

(c) A waterworks corporation, following the procedure outlined in subdivision (b) of this section, may require occupants in a multiple dwelling to pay no more than the current water charges incurred by the owner, person, firm or corporation to whom or which the last preceding bill has been rendered or from whom or which the utility has received payment therefor. A current charge, for purposes of this section, means
the amount properly billed the owner, etc., for water used during the most recent billing period covered by the first bill rendered on or after the date when the disconnect notice is issued. The current charges will not include any arrears for earlier billing periods that may appear on such a bill.

(d) If occupants in a multiple dwelling find they are unable to reach an agreement with the utility to avoid discontinuance of service, they may contact the commission's water division. After such a request is received, a representative of the water division will attempt to work out such an agreement and will, if necessary, arrange a meeting with occupant representatives, the utility, and the owner, person, firm or corporation responsible for making payment for water service; provided, however, that such a meeting will be required only if the water division receives a written petition signed by at least 25 percent of the occupants in a multiple dwelling.

(e) The water division may stay a threatened disconnection of service to an entire multiple dwelling where it concludes that good faith efforts are being made by the occupants to arrange for the payment of current water bills.

(f) Whenever an owner of a multiple dwelling, or the person, firm or corporation responsible for making payment for water service, fails to pay two consecutive bills for utility service by the time the third bill has been prepared, the utility must notify the commission within 15 days that it has invoked the procedures outlined in subdivisions (a) and (b) of this section. Unless otherwise authorized, the notification should be in the form of a semimonthly report filed with the water division. Such report should be cumulative, specify the total amount due for each overdue account, the period of arrearage, and indicate if a notice of discontinuance has been sent. If these reports demonstrate a need for changes in collection procedures, the division shall advise the commission.

(g) Sections 533.3 through 533.6 of this Part shall be applicable with respect to the discontinuance of service to entire multiple dwellings. 

533.9 Billing disputes. (a) Every waterworks corporation shall establish procedures whereby any complaint filed with such corporation by any customer thereof in regard to any bill for service rendered or any deposit required will be promptly investigated in an appropriate and fair manner, with the result of such investigation being promptly reported to the complaining customer. Such procedures shall allow the acceptance and processing of complaints submitted in simple manner and form. Regardless of whether a notice of discontinuance has previously been sent, the utility's procedures shall provide that pending the utility's investigation it shall not discontinue service or issue a notice of discontinuance; provided, however, the consumer may be required to pay the undisputed portion of a disputed bill or deposit to prevent discontinuance or the issuance of a notice of discontinuance.

(b) If, after the completion of such an investigation, the utility determines that the disputed service has been rendered, or that the disputed charge or deposit is proper, in whole or in part, the utility may require the full bill or deposit or the appropriate portion thereof to be paid; in such event, appropriate notice of the determination shall be given to the customer, and where notice of discontinuance of service has previously been sent, or is served with the determination, such
notice shall include a statement advising the customer of the availability of the commission's complaint handling procedures. The utility's procedures may provide for discontinuance of service if the customer fails to pay such required amount after receipt of proper notice, provided that a customer's service will not be discontinued until at least five days after notice of the utility's determination, where personal service is made upon the person supplied, or at least eight days after mailing of such a notice; and provided further that a customer's service shall not be discontinued, nor shall a notice of discontinuance be issued, if a complaint regarding a bill or deposit has been made to the commission and the customer pays the undisputed portion of any bill for service, including bills for current usage, during the commission's investigation of such complaint, unless the commission shall otherwise order.

(c) The utility's procedures shall provide that, where the complaint procedures of the commission have been invoked and it is determined that the disputed service has been rendered, or that the disputed charge or deposit is proper, in whole or in part, a customer's service will not be discontinued for failure to pay the amount found appropriate until at least 15 days after notice of the commission's determination.

(d) The procedures required to be established under this section shall be filed with the commission for review. The commission shall be advised of any substantial changes in such procedures 30 days prior to their proposed implementation to permit commission review.

533.10 Publicizing complaint procedures. (a) Every waterworks corporation shall, by a notice accompanying a regular bill or otherwise, advise each of its customers annually, unless otherwise directed by the commission, of the procedures available to the customer to register complaints in regard to service or disputed bills. Such notice shall clearly state the means by which a complaint can be made to the company and shall also advise the customer that, if after contacting the company the customer remains dissatisfied, he may contact the New York State Public Service Commission. Such notice shall further state that the Public Service Commission has a staff available to give assistance in such matters, and shall also specify an appropriate address of the Public Service Commission.

(b) Prior to circulating the notice required by subdivision (a) of this section, each utility shall submit to the commission for its approval the form of such notice and the intended program for its distribution.

534.1 General
534.2 Standards
534.3 Rate of interest
534.4 Limitations

534.1 General. Every water corporation shall provide interest on customer overpayments according to the standards and criteria set forth in this Part.
534.2 Standards. A customer overpayment is defined as payment by the customer to the utility in excess of the correct charge for water service supplied to the customer which was caused by erroneous billing by the utility.

534.3 Rate of interest. The rate of interest on such amounts shall be the greater of the unadjusted customer deposit rate or the applicable late payment rate, if any, for the service classification under which the customer was billed. Interest shall be paid from the date when the customer overpayment was made, adjusted for any changes in the deposit rate or late payment rate, and compounded monthly, until the date when the overpayment was refunded.

534.4 Limitations.

This part applies to refunds returned to customers after the effective date of these rules. No water corporation shall be required to pay interest on customer overpayments that are refunded within 30 days after such overpayment is received by the water corporation.

540.1 Filing of annual reports

Each municipal water system is hereby directed to file, in accordance with the requirements of § 3.5 of this Title, to the Commission the annual report of its division, bureau or department of water, within two months succeeding the close of its fiscal year, commencing with that for 1931.

543.1 Retention of records at principal office required

Every corporation, company, association, joint stock association, partnership and person under the jurisdiction of this commission shall
retain possession of all accounts, books, contracts, records, documents and papers, and hold them for inspection by the Public Service Commission or its agents or employees at the principal office of such corporation, company, association, joint stock association, partnership and person under the jurisdiction of this commission until this commission has approved of the transfer of its or their property.

543.2 Notice of transfer.
No such accounts, books, contracts, records, documents and papers shall be transferred from the principal office of such corporation, company, association, joint stock association, partnership and person under the jurisdiction of this Commission until notice of such transfer has been filed, in accordance with the requirements of § 3.5 of this Title, with the Commission and approval thereof granted.

544 CONTINUING PROPERTY RECORDS
(Statutory authority: Public Service Law, § 89-c)

Sec.
544.1 Corporations affected
544.2 Requirements of continuing property records
544.3 Filing of proposed record units
544.4 Completion of continuing property records
544.5 Certain records required
544.6 Original cost defined
544.7 Amounts charged in previous years to operating expenses

Section 544.1 Corporations affected.
Every waterworks corporation having annual water operating revenues of $100,000 or over shall establish, provide and maintain continuing property records of its property used wholly or partly in water operations.

544.2 Requirements of continuing property records.
Such continuing property record shall comply with the following requirements:

(a) Such record shall be divided into continuing property record units which shall be arranged to conform with the operating property or the fixed capital accounts and shall include a description of each of such units.

(b) The original cost of each of such units shall be set forth provided that in those cases where the original cost cannot be ascertained without unreasonable expense, such original cost shall be estimated.

(c) Except as otherwise provided herein, there shall be shown for property hereafter installed, and for present property so far as can be ascertained, either in such record or in supporting data thereto, for each of such units, the date when charged to operating property or fixed capital, the location of the property, the manufacturer's name and any number or other identification mark imprinted thereon, the accounting company number or designation, and such other description as may be necessary to plainly identify the property and the associated original cost thereof.

(d) When meters or major units of power plant, pumping or purification
equipment have been retired and subsequently reinstalled, the date when such property was first charged to operating property or fixed capital shall also be shown.

(e) Such property record shall show separately the units located in each city, village or town, and in the case of New York City in each borough, and in each power plant, pumping plant or purification plant. When a corporation desires a modification of this requirement, application should be made to the commission.

(f) There shall be shown by appropriate reference the source of all entries; and all drawings and computations and other detail records, supporting either the quantities or the cost included in the continuing property record, shall be retained.

(g) The original cost of each parcel of land and each structure owned in fee shall be set forth and no further subdivision need be shown.

(h) The original cost of easements for right of way shall be separately set forth for each transmission or distribution line.

(i) Property consisting of a large number of similar units may be grouped and only the average unit cost need be set forth for similar units of each size installed during a calendar year, except that in the case of Account 325, Meter Installations, separate unit costs for ordinary small inside meter installations need not be set forth for each year of installation.

544.3 Filing of proposed record units.

Every water-works corporation affected by this Part shall file on or before February 1, 1937 a statement setting forth the continuing property record units proposed to be used in its continuing property record.

544.4 Completion of continuing property records.

(a) The continuing property record herein ordered to be established shall be completed as to property installed prior to January 1, 1937 on or before December 31, 1937. When a corporation desires a modification of this requirement, application should be made to the commission on or before November 1, 1937.

(b) Upon the completion of the continuing property record of property acquired prior to January 1, 1937, notice shall be given this commission.

544.5 Certain records required.

(a) Each corporation affected by this Part shall keep such records of property and property retirements as will reflect, so far as practicable, the service life of all property retired, and will permit the determination of the age of all existing property; and also such records as will reflect the salvage and cost of removal of property retired from each account including property used wholly or partly in water operations.

(b) Each such corporation shall also maintain such records supporting its books of account as are necessary to show the reserves accumulated to provide for depreciation or ultimate retirement of its property used wholly or partly in water operations, separately for each operating property or fixed capital account.

544.6 Original cost defined.
The term original cost when used herein means the cost of such property to the person or corporation first devoting it to public service.

544.7 Amounts charged in previous years to operating expenses. Nothing herein stated shall be taken as permitting the recording in the original cost shown in the continuing property record of amounts charged in previous years to operating expenses, operating taxes, or other income or surplus accounts.

PART 545
ACCOUNTS, RECORDS AND REPORTS OF GENERAL BUSINESS CORPORATIONS PROVIDING INCIDENTAL UTILITY SERVICE
(Statutory authority: Public Service Law, § 89-c)

Sec.
545.1 Petition for exemption from requirements
545.2 Action on petition

Section 545.1 Petition for exemption from requirements.
Any general business corporation supplying utility service where such utility service is wholly subsidiary and incidental to its primary business and is minor in amount as compared with its nonutility operations, may file, in accordance with the requirements of § 3.5 of this Title, with the Commission a properly verified petition setting forth the nature and extent of both its general business and its utility business, the number of customers served, the amount of revenue received from such business, and the reasons why it is believed it is not necessary in the proper regulation of its utility operations that its accounts and records be kept pursuant to the applicable system of accounts prescribed by this Commission, or that it file with this Commission annual reports in the form provided for applicable utilities.

545.2 Action on petition.
Upon the receipt of such a petition the Commission will conduct a public hearing or make such other investigation as it shall deem necessary, and if it be found that proper and adequate regulation does not require the keeping of accounts in compliance with the system of accounts applicable to corporations primarily engaged in the public utility business or the filing of the type of annual reports required to be filed by such utility corporations, the petitioning corporation may be relieved from keeping its records and accounts in accordance with the applicable system of accounts prescribed by this Commission but instead be authorized to keep only such accounts as shall be directed, and may be further authorized to file, in accordance with the requirements of § 3.5 of this Title, such form of annual report as may be prescribed.

SUBCHAPTER E
Uniform System of Accounts
Note: For utility employee pension costs, see Appendixes 6-B and 6-C.

Article 1 Classes A and B

Article 2 Classes C and D
PART 560

GENERAL PROVISIONS

(Statutory authority: Public Service Law, § 89-c(3))

Sec. 560.0 Order authorizing uniform system of accounts for classes A and B

560.1 Definitions
560.2 Abstracts from law

Section 560.0 Order authorizing uniform system of accounts for classes A and B.

(a) The uniform system of accounts for waterworks corporations (classes A and B) is hereby prescribed for every waterworks corporation (as that term is defined in the Public Service Law) which has annual operating revenues from water operations of $700,000 or more, subject to the jurisdiction of this commission, and every such water corporation is hereby required, on and after July 1, 1987, 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 waterworks 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 waterworks corporation for which this uniform system of accounts is prescribed shall classify, set forth, and carry all assets, liabilities, capital stock, and retained earnings (formerly surplus) existing as of the effective date of this uniform system of accounts, as prescribed in such system of accounts.

(d) As of the date a utility becomes subject to this system of accounts, it shall prepare opening entries in accordance with the following provisions:

(i) The accounts prescribed herein shall be opened by transferring thereto the balances carried in the accounts previously maintained. The company is authorized to make such subdivisions, reclassifications, or consolidations of such balances as are necessary to meet the requirements of this system of accounts.

(ii) The company shall prepare and keep as supporting records summary statements showing:

(i) the closing balances in each account carried on the books prior to the adoption of this system of accounts;

(ii) the journal entries to effect the transfer of those balances to the accounts prescribed herein, arranging such entries so as to show for...
each account or subdivision thereof from what account and to what account each amount was transferred;

(iii) the resultant opening balance of each account under this system of accounts.

(3) The first annual report filed with this commission by a utility covering its operations subsequent to the adoption of this system of accounts shall include copies of the statements referred to in paragraph (2) of this subdivision.

(e) In prescribing this system of accounts, the commission does not commit itself to the approval or acceptance of any item set out in any account for the purpose of fixing rates or in determining other matters before the commission. The prescribed system of accounts is designed to set out the facts in connection with the capitalization, construction, income, expenditures, etc., and therefrom the commission will determine, in connection with such matters as may be under advisement from time to time, just what consideration shall be given to the various items in the several accounts.

(f) The system of accounts prescribed by this Part shall become effective July 1, 1987 and shall be put into effect by each water corporation affected thereby on July 1, 1987.

560.1 Definitions.

(a) When used in this system of accounts:

(1) Accounts means the accounts prescribed in this system of accounts.

(2) Actually issued, as applied to securities issued or assumed by the utility, means those which have been sold to bona fide purchasers for a valuable consideration, those issued as dividends on stock, and those which have been issued in accordance with contractual requirements direct to trustees of sinking funds.

(3) Actually outstanding, as applied to securities issued or assumed by the utility, means those which have been actually issued and are neither retired nor held by or for the utility; provided, however, that securities held by trustees shall be considered as actually outstanding.

(4) Amortization means the gradual extinguishment of an amount in an account by distributing such amount over a fixed period, over the life of the asset or liability to which it applies, or over the period during which it is anticipated the benefit will be realized.

(5)(i) 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.

(ii) Control (including the terms controlling, controlled by, and under common control with), means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a company, whether such power is exercised through one or more intermediary companies, or alone, or in conjunction with, or pursuant to an agreement, and whether such power is established through a majority or minority ownership or voting of securities, common directors, officers, or stockholders, voting trusts, holding trusts, associated companies, contract or any other direct or indirect means.

(6) Book cost means the amount at which property is recorded in these accounts without deduction of related provisions for accrued depreciation, amortization, or for other purposes.

(7) Commission or the commission means the Public Service Commission of the State of New York.
(8) Company, corporation, water-works corporation (see definition (20) herein; Public Service Law; also General Provisions, § 560.2 subd. (b), Abstract from law).

(9) Cost means the amount of money actually paid for property or services. When the consideration given is other than cash in a purchase and sale transaction, as distinguished from a transaction involving the issuance of common stock in a merger or a pooling of interest, the value of such consideration shall be determined on a cash basis.

(10) Cost of removal means the cost of demolishing, dismantling, tearing down or otherwise removing water plant, including the cost of transportation and handling incidental thereto.

(11) Debt expense means all expenses in connection with the issuance and initial sale of evidences of debt, such as fees for drafting mortgages and trust deeds; fees and taxes for issuing or recording evidences of debt; cost of engraving and printing bonds and certificates of indebtedness, fees paid trustees; specific costs of obtaining governmental authority; fees for legal services; fees and commissions paid underwriters, brokers, and salesmen for marketing such evidences of debt; fees and expenses of listing on exchanges; and other like costs.

(12) Depreciation, as applied to depreciable water plant, means the loss in service value not restored by current maintenance, incurred in connection with the consumption or prospective retirement of water plant in the course of service from causes which are known to be in current operation and against which the utility is not protected by insurance. Among the causes to be given consideration are wear and tear, decay, action of the elements, inadequacy, obsolescence, changes in the art, changes in demand and requirements of public authorities.

(13) Discount as applied to debt securities issued or assumed by the utility, means the excess of the face value of the debt securities plus interest accrued at the date of the sale over the cash value of the consideration received from their sale.

(14) Investment advances means advances, represented by notes or by book accounts only, with respect to which it is mutually agree or intended between the creditor and debtor that they shall be settled by the issuance of securities or shall not be subject to current settlement.

(15) Minor items of property means the associated parts or items of which retirement units are composed.

(16) Net salvage value means the salvage value of property retired less the cost of removal.

(17) Nominally issued, as applied to securities issued or assumed by the utility, means those which have been signed, certified, or otherwise executed, and placed with the proper officer for sale and delivery, or pledged, or otherwise placed in some special fund of the utility, but which have not been sold, or issued direct to trustees of sinking funds in accordance with contractual requirements.

(18) Nominally outstanding, as applied to securities issued or assumed by the utility, means those which, after being actually issued, have been reacquired by or for the utility under circumstances which require them to be considered as held alive and not retired, provided, however, that securities held by trustees shall be considered as actually outstanding.

(19) Original cost as applied to water plant, means the cost of such property to the person, or to the municipal corporation operating a
public utility, first devoting it to public service.

(20) 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.

(21) Premium, as applied to the securities issued or assumed by the utility, means the excess of the cash value of the consideration received from their sale over the sum of their par (stated value of stocks without par value) or face value and interest or dividends accrued at the date of sale.

(22) Property retired, as applied to water plant, means property which has been removed, sold, abandoned, destroyed, or which for any cause has ceased to be used and useful in the water service of the public.

(23) Replacing or replacement, when not otherwise indicated in the context, means the construction or installation of water plant in place of property retired, together with the removal of the property retired.

(24) Research and development means expenditures incurred by the companies either directly or through another person or organization (such as research institute, industry association, foundation, university, engineering company or similar contractor) in pursuing research and development activities including experiment, design, installation, construction or operation. Such research and development costs should be reasonably related to the existing or future utility business. The term includes but is not limited to: all such costs incidental to the design, development or implementation of an experimental facility, a plant process, a product, a formula, an invention, a system or similar items, and the improvement of already existing items of a like nature; and the costs of obtaining its own patent, such as attorney's fees expended in making and perfecting a patent application. The term does not include expenditures for efficiency surveys; studies of management, management techniques and organization; consumer surveys, advertising, promotions, or items of a like nature.

(25) Retained earnings (formerly earned surplus) means the accumulated net income of the utility less distribution to stockholders and transfers to other capital accounts.

(26) Retirement units means those items of water plant which, when retired, with or without replacement, are accounted for by crediting the book cost thereof to the water plant account in which included.

(27) Salvage value means the amount received for property retired, less any expenses incurred in connection with the sale or in preparing the property for sale, or, if retained, the amount at which the material recoverable is chargeable to materials and supplies, or other appropriate account.

(28) Service life means the time between the date water plant is includible in water plant in service, or water plant leased to others, and the date of its retirement. If depreciation is accounted for on a production basis rather than on a time basis, then service life should be measured in terms of the appropriate unit of production.

(29) Service value means the difference between the original cost and the net salvage value of water plant.

(30) Utility or utility company, as used herein and when not otherwise indicated in the context means any waterworks corporation, as defined in the Public Service Law, to which this system of accounts is applicable.
(a) Authority for uniform system of accounts. This uniform system of accounts for waterworks corporations is established and issued by the Public Service Commission under the following provision of the Public Service Law (chapter 48 of the Consolidated Laws):

"Section 89-c, subdivision 3. The commission shall have power, in its discretion, to prescribe uniform methods of keeping accounts, records and books to be observed by waterworks corporations. It may also, in its discretion, prescribe by order forms of accounts, records and memoranda to be kept by such corporations. Notice of alterations by the commission in the required method or form of keeping a system of accounts shall be given to such corporations by the commission at least six months before the same shall take effect. Any other and additional forms of accounts, records and memoranda kept by such corporations shall be subject to examination by the commission."

(b) Definition of waterworks corporation.

"Section 2, subdivision 27. The term "waterworks corporation," when used in this Chapter includes every corporation, company, association, joint stock association, partnership and person, their lessees, trustees or receivers, appointed by any court whatsoever, owning, operating or managing any water plant or waterworks, except where water is distributed solely on or through private property solely for the use of the distributor or its tenants and not for sale to others. With respect to waterworks corporations having a property value of $30,000 or less, only the provisions of this Chapter relating to the regulation of water rates shall apply."

"Section 5-b. Corporations formed to acquire property or to transact business which would be subject to the provisions of this Chapter, and corporations possessing franchises for any of the purposes contemplated by this Chapter, shall be deemed to be subject to the provisions of this Chapter although no property may have been acquired, business transacted or franchises exercised."

Note: Whenever the term waterworks corporation is used in this uniform system of accounts it shall be understood to have the inclusive meaning given it by the definitions quoted above. The term waterworks company is used in the same sense as waterworks corporation.
561.13 Records for each plant and for territorial subdivisions
561.14 Accounting for other departments
561.15 Transactions with associated companies
561.16 Contingent assets and liabilities
561.17 Employee pensions and benefits
561.18 Spreading of income, revenue and expense items
561.19 Allocation of costs between water plant and operating expenses to be made currently
561.20 Approval by the commission
561.21 Long-term debt: premium, discount and expense, and gain or loss on reacquisition

Section 561.1 Classification of utilities. (a) For the purpose of applying systems of accounts prescribed by the commission, water utilities are divided into four classes, as follows:
Class A. Utilities having annual water operating revenues of $1,000,000 or more.
Class B. Utilities having annual water operating revenues of $700,000 or more but less than $1,000,000.
Class C. Utilities having annual water operating revenues of $400,000 or more but less than $700,000.
Class D. Utilities having annual water operating revenues of $100,000 or more but less than $400,000.
(b) This system of accounts applies to Class A and B utilities. Those applicable to Class C and Class D utilities are issued separately.
(c) The class to which any utility belongs shall originally be determined by the average of its annual water operating revenues for the last three consecutive years. Subsequent changes in classification shall be made when the annual water operating revenues for each of the three immediately preceding years shall exceed the upper limit, or be less than the lower limit, of the annual water operating revenues of the classification previously applicable to the utility.
(d) Any utility may, at its option, adopt the system of accounts prescribed by the commission for any larger class of utilities. Notice of such action shall be promptly filed with the commission.

561.2 Records. (a) Each utility shall keep its books of account and all other books, records, and memoranda which support the entries in such books of account so as to be able to furnish readily full information as to any item included in any account. Each entry shall be supported by such detailed information as will permit ready identification, analysis, and verification of all facts relevant thereto.
(b) The books and records referred to herein include not only accounting records in a limited technical sense, but all other records, such as minute books, stock books, reports, correspondence, memoranda, etc., which may be useful in developing the history of or facts regarding any transaction. All such records shall be accessible, at all times, to the authorized representatives of the commission at a location within the State of New York, unless the company is specifically exempted by order of this commission.
(c) No utility shall destroy any such books or records unless the destruction thereof is permitted by rules and regulations of the
(d) In addition to prescribed accounts, clearing accounts, temporary or experimental accounts, and subdivisions of any account, may be kept, provided the integrity of the prescribed accounts is not impaired.

(e) All amounts included in the accounts prescribed herein for water plant and operating expenses shall be just and reasonable and any payments or accruals by the utility in excess of just and reasonable charges shall be included in account 426, Miscellaneous Income Deductions.

(f) The arrangement or sequence of the accounts prescribed herein shall not be controlling as to the arrangement or sequence in report forms which may be prescribed by the commission.

(g) Not later than March 31, 1974, each utility shall have filed with the commission a copy of its manual of accounts, or other systematic statement of accounts showing every account or subaccount kept during the year 1973, and thereafter shall file (either as changes occur, or for each calendar year at a date not later than the filing of its annual report) a statement of each account, subaccount, and clearing account opened or discontinued and the effective date of such change. For each clearing account opened, the purpose of the account shall be stated.

561.3 Numbering system.

(a) The account numbering scheme used herein consists of a system of three-digit whole numbers as follows:

(100-199) Assets and Other Debits.
(200-299) Liabilities and Other Credits.
(300-399) Plant Accounts.
(400-432, 434-435) Income Accounts.
(433, 436-439) Retained Earnings Accounts.
(460-479) Revenue Accounts.
(600-699) Production, Transmission and Distribution Expenses.
(900-949) Customer Accounts, Sales and General Administrative Expenses.

(b) In certain instances, numbers have been skipped in order to allow for possible later expansion or to permit better coordination with the numbering system for other utility departments.

(c) The numbers prefixed to account titles are to be considered as part of the titles. Each utility, however, may adopt for its own purposes a different system of account numbers (see also general instruction 561.2, subd. (d)) provided that the numbers herein prescribed shall appear in the descriptive headings of the ledger accounts and in the various sources of original entry; however, if a utility used a different group of account numbers and it is not practicable to show the prescribed account numbers in the various sources of original entry, such reference to the prescribed account numbers may be omitted from the various sources of original entry. Moreover, each utility using different account numbers for its own purposes shall keep readily available a list of such account numbers which it uses and a reconciliation of such account numbers with the account numbers provided herein. It is intended that the utility's records shall be so kept to permit ready analysis by prescribed accounts (by direct reference to sources of original entry to the extent practicable) and to permit preparation of financial and operating statements directly from such records at the end of each accounting
period according to the prescribed accounts.

561.4 Accounting period. Each utility shall keep its books on a monthly basis so that for each month all transactions applicable thereto, as nearly as may be ascertained, shall be entered in the books of the utility. Amounts applicable or assignable to specific utility departments shall be so segregated monthly. Each utility shall close its books at the end of each calendar year unless otherwise authorized by the commission.

561.5 Submission of questions. To maintain uniformity of accounting, utilities shall submit questions of doubtful interpretation to the commission for consideration and decision.

561.6 Item lists. Lists of "items" appearing in the texts of the accounts or elsewhere herein are for the purpose of more clearly indicating the application of the prescribed accounting. The lists are intended to be representative, but not exhaustive. The appearance of an item in a list warrants the inclusion of the item in the account mentioned only when the text of the account also indicates inclusion inasmuch as the same item frequently appears in more than one list. The proper entry in each instance must be determined by the texts of the accounts.

561.7 Extraordinary items. It is the intent that net income shall reflect all items of profit and loss during the period with the sole exception of prior period adjustments as described in section 561.8. Those items related to the effects of events and transactions which have occurred during the current period and which are not typical or customary business activities of the company shall be considered extraordinary items. Accordingly, they will be events and transactions of significant effect which would not be expected to recur frequently and which would not be considered as recurring factors in any evaluation of the ordinary operating processes of business. (In determining significance, items of a similar nature should be considered in the aggregate. Dissimilar items should be considered individually; however, if they are few in number, they may be considered in the aggregate.) To be considered as extraordinary under the above guidelines, an item should be more than approximately five percent of income, computed before extraordinary items. Commission approval must be obtained to treat an item of less than five percent, as extraordinary. (See accounts 434, Extraordinary Income, and 435, Extraordinary Deductions.)

561.8 Prior period items. (a) As a general rule, items relating to transactions which occurred prior to the current calendar year but were not recorded in the books of account shall be included in the same accounts in which they would have been recorded had the item been recorded in the proper period. Such items relate to events or transactions which occurred in a prior period, or periods, the accounting effects of which could not be determined with reasonable assurance at the time, usually because of major uncertainty then existing. When the amount of a prior period item is relatively so large its inclusion for a single month would distort the accounts for that month, the amount may be distributed in equal amounts to the accounts
for the current and remaining months of the calendar year. However, if the amount of any prior period item is so large that the company believes its inclusion in the income statement would seriously distort the net income for the year, the company may request commission approval to record the amount in account 439, Adjustments to Retained Earnings. Such a request must be accompanied by adequate justification.

(b) Treatment as prior period adjustments should not be applied to the normal, recurring corrections and adjustments which are the natural result of the use of estimates inherent in the accounting process. For example, changes in the estimated remaining lives of fixed assets affect the computed amounts of depreciation, but these changes should be considered prospective in nature and not prior period adjustments. Similarly, relatively insignificant adjustments of provisions for liabilities (including income taxes) made in prior periods should be considered recurring items to be reflected in operations of the current period. Some uncertainties, for example those relating to the realization of assets (collectibility of accounts receivable, ultimate recovery of deferred costs of realizability of inventories or other assets), would not qualify for prior period adjustment treatment, since economic events subsequent to the date of the financial statements must of necessity enter into the elimination of any previously-existing uncertainty. Therefore, the effects of such matters are considered to be elements in the determination of net income for the period in which the uncertainty is eliminated. (See account 439, Adjustments to Retained Earnings.)

.SO DOC 16C-561.9  NYCRR
561.9 Unaudited items. Whenever a financial statement is required by the commission, if it is known that a transaction has occurred which affects the accounts but the amount involved in the transaction and its effect upon the accounts cannot be determined with absolute accuracy, the amount shall be estimated and such estimated amount included in the proper accounts. The utility is not required to anticipate minor items which would not appreciably affect the accounts.

.SO DOC 16C-561.10  NYCRR
561.10 Bases of distribution of pay and expenses of employees. (a) The charges to water plant, operating expenses and other accounts for services and expenses of employees engaged in activities chargeable to various accounts, such as construction, maintenance, and operations, shall be based upon the actual time engaged in the respective classes of work or, in case that method is impracticable, upon the basis of a study of the time actually engaged during a representative period.

(b) The pay and expenses of general officers shall be charged to the actual work on which they are engaged, to the particular operations over which they have direct supervision, or to the appropriate accounts provided in the administrative and general group in operating expenses.

(c) Salaries of officers or employees and incidental expenses which can be distributed equitably upon a predetermined basis may be distributed through clearing accounts.

(d) Except as otherwise specifically provided in this system of accounts or by order of the commission, no amounts for salaries or wages shall be included in charges to water plant, cost of removal, or water operating expenses, except account 926, Employee Pensions and Benefits, which are not paid to the employees affected subject to their free disposition. Payroll deductions made under a statute or order of a
court; or for such purposes as group insurance, purchase of appliances or homes, etc., authorized by written order of the employee without coercion of any kind, may be included.

561.11 Payroll distribution. Underlying accounting data shall be maintained so that the distribution of the cost of labor charged direct to the various accounts will be readily available. Such underlying data shall permit a reasonably accurate distribution to be made of the cost of labor charged initially to clearing accounts so that the total labor cost may be classified among construction, cost of removal, water operating functions (source of supply, power, pumping, purification, transmission, distribution, etc.), and non-utility operations.

561.12 Operating reserves. Accretions to operating reserve accounts made by charges to operating expenses shall not exceed a reasonable provision for the expense. Material balances in such reserve accounts shall not be diverted from the purpose for which provided unless the permission of the commission is first obtained.

561.13 Records for each plant and for territorial subdivisions. (a) Unless otherwise authorized or directed by the commission, each city, borough, village, or town and each water plant shall constitute a cost area and separate records shall be maintained of the book cost of water plant located therein. The term "plant" as here used means each source of supply, each pumping station (small booster stations may be grouped), each water treatment plant and the transmission and distribution system in each city, borough, village, town or such other operating area as the commission may require.

(b) Operating revenues shall be recorded so that the amount for each city, borough, village, town or other operating area required by the commission, may be readily determined.

(c) Records shall be currently maintained so that the utility will be prepared to show operating revenue deductions separately for each city, borough, village, town, or other operating area required by the commission, and for each water plant; provided that, with the approval of the commission two or more such territories which are contiguous and are operated as a unit, may be combined into an accounting division.

(d) Records shall be kept to show separately the accumulated provisions for depreciation applicable to property in each accounting division.

561.14 Accounting for other departments. If the utility also operates other departments, such as gas, electric, etc., it shall keep such accounts for the other departments as may be prescribed by proper authority and in the absence of prescribed accounts, it shall keep such accounts as are proper or necessary to reflect the results of operating each such department. It is not intended that proprietary and similar accounts which apply to the utility as a whole shall be departmentalized.

561.15 Transactions with associated companies. (a) Each utility shall keep its accounts and records so as to be able to furnish accurately and expeditiously statements of all transactions with associated companies. The statements may be required to show the general nature of the
transactions, the amounts involved therein and the amounts included in each account prescribed herein with respect to such transactions. Transactions with associated companies shall be recorded in the appropriate accounts for transactions of the same nature. Nothing herein contained, however, shall be construed as restraining the utility from subdividing accounts for the purpose of recording separately transactions with associated companies.

(b) If a clearing account is not maintained for each associated company in which all gross charges by that company are entered and from which they are distributed, all charges of any nature whatsoever by any associated company shall be credited at the gross amounts involved to a subaccount for that company under the appropriate subdivisions of accounts for Advances from Associated Companies and Payables to Associated Companies, even though immediately transferred to an account for capital stock, long-term debt, or other liability. In like manner, in the absence of clearing accounts, all gross charges to any associated company shall be debited to a subaccount for that company under the appropriate subdivisions of accounts for investments in Associated Companies and Receivables from Associated Companies, even though immediately transferred to a special deposit, special fund, other investment account, or other asset.

(c) Dividends, rebates, or earnings from associated companies or mutual service companies, representing refunds of the excess charges made by such companies over the cost to them, shall be debited to account 146, Accounts Receivable from Associated Companies, and shall be credited so far as practicable to the same accounts to which the corresponding charges were made, including proper distinction between construction and operating expenses. Credits applicable to operating expenses, where it is impracticable to allocate them among the accounts to which the corresponding charges have been made shall be recorded in account 929, Duplicate Charges--Credit.

561.16 Contingent assets and liabilities. Contingent assets represent a possible source of value to the utility contingent upon the fulfillment of conditions regarded as uncertain. Contingent liabilities include items which may under certain conditions become obligations of the utility but which are neither direct nor assumed liabilities at the date of the balance sheet. The utility shall be prepared to give a complete statement of contingent assets and liabilities (including cumulative dividends on preference stock) in its annual report and at such other time as may be requested by the commission.

561.17 Employee pensions and benefits. (a) All costs of employee pensions whether such costs represent pensions payable currently to retired employees or their beneficiaries, advance provision for such payments, or both, are includible in the charges of each accounting period, provided:

(1) the pension program under which the costs are determined is reasonable;

(2) amounts paid are irrevocably dedicated to pension purposes;

(3) any program of advance provision is based on actuarial studies or other recognized and acceptable systematic method of computation and allocation.

(b) Account 926, Employee Pensions and Benefits, is provided under
Administrative and General Expenses to include pension payments and accruals, employee welfare expenses, and expenses incurred in the administration of the welfare and pension department. However, a utility may clear from that account and distribute to construction and retirement work orders and to clearing and other accounts an applicable portion of the pension costs, and shall clear any such costs applicable to nonutility activities. Employee welfare expenses include costs of accident and health insurance; hospital and surgical insurance; disability and lump sum separation allowances; life insurance, when the utility is not the beneficiary; and similar employee benefits, together with the costs of operating educational and recreational facilities. Welfare and pension administrative expenses include salaries payable and costs incurred in the administration of the welfare and pension department.

Note: Incidental refunds or credits to the utility of amounts disbursed for pension purposes; if such refunds are made under the provisions of a pension program filed with the commission, shall not be deemed to impair the irrevocable dedication of monies to pension purposes.

(c) No charge shall be made to any account in this system of accounts to reflect advance provision for employee pension and benefit costs or to augment incomplete provision at a given date for amounts computed in relation to service prior to that date, unless full particulars of the program shall have been filed with the commission, including a copy of such supporting documents as:

1. the resolution of the governing board authorizing the program;
2. insurance contract, actuarial formula, or data supporting other method of computation and allocation;
3. trust agreement, if any.

Like filings shall be promptly made of any subsequent material charges in the pension plan. Acceptance by the commission of such data, as filed, shall not be interpreted as constituting approval of a pension and employee benefits program or of the documents associated therewith, or of any accounting made thereunder by the utility.

(d) The utility shall keep supporting records which will disclose as of the end of each accounting period:

1. the amounts disbursed by the company during the period direct to pensioners or their beneficiaries;
2. the amounts paid into the fund dedicated to future pension payments; and for each of such classes of disbursements, the accumulated total from the beginning of the year;
3. the amount accumulated in the pension fund as provision for future pension payments; and
4. at each year end, the amount by which pension commitments under the plan as then in effect, even though subject to future amendment or termination, computed in relation to employee service to that date, (generally the "actuarial liability"), exceed the amount in the pension fund.

SO DOC 16C-561.18
NYCRR
561.18 Spreading of income, revenue, and expense items. (a) When the amount of any unusual item includible in an income, operating revenue, or operating expense account for a single month is relatively so large that its inclusion in the accounts for that month would seriously distort those accounts, it may be included in account 186, Miscellaneous
Deferred Debits, or account 253, Other Deferred Credits, as appropriate, and distributed in equal amounts to the accounts for the current and remaining months of the calendar year.

(b) 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 transaction occurred, would seriously distort those accounts, 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 items shall be carried beyond the year in which the transaction occurred.

561.19 Allocation of costs between water plant and operating expenses to be made currently. Each utility shall determine currently the costs which are applicable to the water plant accounts and in the case of costs involving allocation, the amount which is applicable to other accounts, such as operating expenses, taxes, retirement work in progress, other balance sheet accounts, and income accounts; the intent of this provision being that such costs shall be allocated to the accounts to which they are applicable when they are incurred.

561.20 Approval by the commission. Whenever the phrases "with the permission of the commission", "with the approval of the commission", "approved by the commission", "authorized by the commission", or "directed by the commission", are used herein, such permission, approval, authorization, or direction must be specific and in writing.

561.21 Long-term debt; premium, discount and expense, and gain or loss on reacquisition. (a) Premium, discount end expense.

(1) A separate premium, discount and expense account shall be maintained for each class and series of long-term debt (including receivers' certificates) issued or assumed by the utility. The premium will be recorded in account 225, Unamortized Premium on Long-term Debt, the discount be recorded in account 226, Unamortized Discount on Long-term Debt--Debit, and the expense of issuance shall be recorded in account 181, Unamortized Debt Expense.

(2) The premium, discount and expense shall be amortized over the life of the respective issues under a plan which will distribute the amounts equitably over the life of the securities. The amortization shall be on a monthly basis, and amounts thereof relating to discount and expense shall be charged to account 428, Amortization of Debt Discount and Expense. The amounts relating to premium shall be credited to account 429, Amortization of Premium on Debt--Credit.

(b) Reacquisition, without refunding. When long-term debt is reacquired or redeemed without being converted into another form of long-term debt and when the transaction is not in connection with a refunding operation (primarily redemptions for sinking fund purposes), the difference between the amount paid upon reacquisition and the face value; plus any unamortized premium less any related unamortized debt expense and reacquisition costs; or less any unamortized discount, related debt expense and reacquisition costs applicable to the debt redeemed, retired and cancelled, shall be included in account 421,
Miscellaneous Nonoperating Income, or account 426.5, Other Deductions, as appropriate.

(c) Reacquisition, with refunding. When the redemption of one issue or series of bonds or other long-term obligations is financed by another issue or series before the maturity date of the first issue, the difference between the amount paid upon refunding and the face value; plus any unamortized premium loss related debt expense; or less any unamortized discount and related debt expense, applicable to the debt refunded, shall be included in account 421, Miscellaneous Nonoperating Income, or account 426.5, Other Deductions, as appropriate. If the utility desires to amortize any of the discount, expense, or premium associated with the issuance or redemption of the first issue over a period subsequent to the date of redemption, the permission of the commission must be obtained.

(d) When the utility chooses to use the optional privilege of deferring the tax on the gain attributable to the reacquisition of debt by reducing the depreciable basis of utility property for tax purposes, pursuant to section 108 of the Internal Revenue Code, the related tax effect shall be deferred as the income is recognized for accounting purposes, and the deferred amounts shall be amortized over the life of the associated property on a vintage year basis. 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 an amount equal to the estimated income tax effect applicable to the portion of the income attributable to reacquired debt, recognized for accounting purposes during the period. Account 283 shall be debited and account 411.1, Provision for Deferred Income Taxes--Credit, Utility Operating Income, shall be credited with an amount equal to the estimated income tax effects during the life of the property, attributable to the reduction in the depreciable basis for tax purposes.

(e) The tax effects relating to gain or loss shall be allocated as above to utility operations except in cases where a portion of the debt reacquired is directly applicable to nonutility operations. In that event the related portion of the tax effects shall be allocated to nonutility operations. Where it can be established that reacquired debt is generally applicable to both utility and nonutility operations, the tax effects shall be allocated between utility and nonutility operations based on the ratio of net investment in utility plant to net investment in nonutility plant.

(f) Premium, discount or expense on debt shall not be included as an element in the cost of construction or acquisition of property (tangible or intangible), except under the provisions of water plant instruction 563.3(a)(17) and account 419.1, Allowance for Funds Used During Construction.
are cash, those assets which are readily convertible into cash or are
held for current use in operations or construction, current claims
against others, payment of which is reasonably assured, and amounts
accruing to the utility which are subject to current settlement except
such items for which accounts other than those designated as current and
accrued assets are provided. There shall not be included in the group of
accounts designated as current and accrued assets any item, the amount
or collectibility of which is not reasonably assured, unless an adequate
provision for possible loss has been made therefor. Items of current
character but of doubtful value may be written down and for record
purposes carried in these accounts at nominal value.

562.2 Current and accrued liabilities. Current and accrued liabilities
are those obligations which have either matured or which become due
within one year from the date thereof; except, however, bonds, receivers
certificates and similar obligations which shall be classified as
long-term debt until date of maturity; accrued taxes, such as income
taxes, which shall be classified as accrued liabilities even though
payable more than one year from date; compensation awards, which shall
be classified as current liabilities regardless of date due; and minor
amounts payable in installments which may be classified as current
liabilities. If a liability is due more than one year from date of
issuance or assumption by the utility, it shall be credited to a
long-term debt account appropriate for the transaction, except, however,
the current liabilities previously mentioned.

PART 563
INSTRUCTIONS--WATER PLANT ACCOUNTS
(Statutory authority: Public Service Law, § 89-c, subd. 3)

Sec.
563.1 Classification of water plant at effective date of system of
accounts
563.2 Water plant to be recorded at original cost
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563.5 Water plant purchased or sold
563.6 Expenditures on leased property
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563.10 Additions and retirements of water plant
563.11 Work order and property record system required
563.12 Transfers of property
563.13 Common utility plant
563.14 Supply, transmission and distribution mains
563.15 Multiple use plant

Section 563.1 Classification of water plant at effective date of
system of accounts. (a) The water plant accounts provided herein are
generally the same as those contained in the prior system of accounts
except for some changes in classification, regrouping, and rearrangement
of certain accounts. Except for these changes, the balances in the
various plant accounts, as determined under the prior system of
accounts, should be carried forward. Any remaining balance of plant
which has not yet been classified, pursuant to the requirements of the prior system, shall be classified in accordance with the following instructions.

(b) The cost to the utility of its unclassified plant shall be ascertained by analysis of the utility's records. Adjustments shall not be made to record in utility plant accounts amounts previously charged to operating expenses or to income deductions in accordance with the uniform system of accounts in effect at the time or in accordance with the discretion of management as exercised under a uniform system of accounts, or under accounting practices previously followed.

(c) The detailed water plant accounts (301 to 399, inclusive) shall be stated on the basis of cost to the utility, after giving effect to any amounts of contributions in aid of construction applicable to the property, of plant constructed by it and the original cost, estimated if not known, of plant acquired as an operating unit or system. The difference between the original cost, as above, and the cost to the utility of water plant after giving effect to any accumulated provision for depreciation or amortization, shall be recorded in account 114, Water Plant Acquisition Adjustments. The original cost of water plant shall be determined by analysis of the utility's records or those of predecessor or vendor companies with respect to water plant previously acquired as operating units or systems and the difference between the original cost so determined, less accumulated provisions for depreciation and amortization and the cost to the utility, with necessary adjustments for retirements from date of acquisition, shall be entered in account 114, Water Plant Acquisition Adjustments. Any difference between the cost of water plant and its book cost, when not properly includible in other accounts, shall be recorded in account 116, Other Water Plant Adjustments.

NYCRR 563.2 Water plant to be recorded at original cost. (a) All amounts included in the accounts for water plant acquired as an operating unit or system, except as otherwise provided in the texts of the intangible plant accounts, shall be stated at the cost incurred by the person who first devoted the property to utility service. All other water plant shall be included in the accounts at the cost incurred by the utility. Where the term "cost" is used in the detailed plant accounts, it shall have the meaning stated in this subdivision. (See also § 560.1, definition (19).)

(b) When the consideration given for property is other than cash, the value of such consideration shall be determined on a cash basis. (See, however, § 560.1, definition (9).) In the entry recording such transaction, the actual consideration shall be described with sufficient particularity to identify it. The utility shall be prepared to furnish the commission the particulars of its determination of the cash value of the consideration if other than cash.

(c) When property is purchased under a plan involving deferred payments, no charge shall be made to the water plant accounts for interest, insurance, or other expenditures occasioned solely by such form of payment.

(d) Contributions for construction purposes made in cash, services or property by any governmental agency, individuals or others shall be credited to the plant account chargeable with the cost of construction. In the case of water plant contributed to the utility, water plant
accounts shall be charged only with such expenses, if any, incurred by the utility for which it was not reimbursed, to obtain title, possession or ownership of said plant. Records shall be kept so that the utility can readily furnish information as to the source, purpose, and amount of each contribution, the property to which each contribution relates and the conditions, if any, upon which each contribution was made.

(e) As of the effective date of this uniform system of accounts, the account "Contributions in Aid of Construction" is discontinued. Amounts for contributions in aid of construction still remaining in such account at the effective date of the uniform system of accounts prescribed herein shall be transferred temporarily to an appropriate subdivision of account 253, Other Deferred Credits. The amounts which can be identified with property in water plant accounts and with property which has been retired shall be charged to account 253 and concurrently credited to the water plant accounts or to the accumulated provisions for depreciation, as appropriate. With respect to the remaining amounts of contributions, which cannot be identified or associated with specific water plant property, the utility shall submit a proposal for an account disposition of such remaining balance to the commission for its consideration and determination. Except as provided herein, such amounts representing contributions in aid of construction shall not be transferred to any other account without the approval of the commission.

Note: Amounts received for construction which are ultimately to be refunded, wholly or in part, shall be credited to account 252, Customers' Advances for Construction. When the amount to be refunded has been finally determined, the balance, if any, remaining in account 252 shall be debited thereto and credited to the water plant accounts to which the cost of the property was charged.

SO DOC 16C-563.3 NYCRR 563.3 Components of construction cost.

(a) The cost of construction property includible in the water plant accounts shall include, where applicable, the direct and overhead costs as listed and defined hereunder:

(1) Contract work includes amounts paid for work performed under contract by other companies, firms, or individuals, costs incident to the award of such contracts, and the inspection of such work.

(2) Labor includes the pay and expenses of employees of the utility engaged on construction work, and related workmen's compensation insurance, payroll taxes and similar items of expense. It does not include the pay and expenses of employees which are distributed to construction through clearing accounts nor the pay and expenses included in other items hereunder.

(3) Materials and supplies includes the purchase price at the point of free delivery plus customs duties, excise taxes, the cost of inspection, loading and transportation, the related stores expenses, and the cost of fabricated materials from the utility's shop. In determining the cost of materials and supplies used for construction, proper allowance shall be made for unused materials and supplies, for materials recovered from temporary structures used in performing the work involved and for discounts allowed and realized in the purchase of materials and supplies.

Note: The cost of individual items of equipment of small value (for example, $200 or less) or of short life, including small portable tools and implements, shall not be charged to water plant accounts unless the
correctness of the accounting therefor is verified by current inventories. The cost shall be charged to the appropriate operating expense or clearing accounts, according to the use of such items, or, if such items are consumed directly in construction work, the cost shall be included as part of the cost of the construction.

(4) Transportation includes the cost of transporting employees, materials and supplies, tools, purchased equipment, and other work equipment (when not under own power) to and from points of construction. It includes amounts paid to others as well as the cost of operating the utility's own transportation equipment. (See paragraph (5) of this subdivision.)

(5) Special machine service includes the cost of labor (optional), materials and supplies, depreciation, and other expenses incurred in the maintenance, operation and use of special machines, such as steam shovels, pile drivers, derricks, ditchers, scrapers, material unloaders, and other labor-saving machines; also expenditures for rental, maintenance and operation of machines of others. It does not include the cost of small tools and other individual items of small value or short life which are included in the cost of materials and supplies. (See paragraph (3) of this subdivision.) When a particular construction job requires the use for an extended period of time of special machines, transportation or other equipment, the net book cost thereof, less the appraised or salvage value at time of release from the job, shall be included in the cost of construction.

(6) Shop service includes the proportion of the expense of the utility's shop department assignable to construction work, except that the cost of fabricated materials from the utility's shop shall be included in "materials and supplies".

(7) Protection includes the cost of protecting the utility's property from fire or other casualties and the cost of preventing damages to others, or to the property of others, including payments for discovery or extinguishment of fires, cost of apprehending and prosecuting incendiaries, witness fees in relation thereto, amounts paid to municipalities and others for fire protection, and other analogous items of expenditures in connection with construction work.

(8) Injuries and damages includes expenditures or losses in connection with the construction work on account of injuries to persons and damages to the property of others; also the cost of investigation of and defense against actions for such injuries and damages. Insurance recovered or recoverable on account of compensation paid for injuries to persons incident to construction shall be credited to the account or accounts to which such compensation is charged. Insurance recovered or recoverable on account of property damages incident to construction shall be credited to the account or accounts charged with the cost of the damages.

(9) Privileges and permits includes payments for and expenses incurred in securing temporary privileges; permits or rights in connection with construction work, such as for the use of private or public property, streets or highways, but it does not include rents, or amounts chargeable as franchises and consents, for which see account 302, Franchises and Consents.

(10) Rents includes amounts paid for the use of construction quarters and office space occupied by construction forces, and amounts properly includible in construction costs for such facilities jointly used.
(11) Engineering and supervision includes the portion of the pay and expenses of engineers, surveyors, draftsmen, inspectors, superintendents and their assistants applicable to construction work.

(12) General administration capitalized includes the portion of the pay and expenses of the general officers and administrative and general expenses applicable to construction work.

(13) Engineering services includes amounts paid to other companies, firms or individuals engaged by the utility to plan, design, prepare estimates, supervise, inspect, or give general advice and assistance in connection with construction work.

(14) Insurance includes premiums paid or amounts provided or reserved as self-insurance for the protection against loss and damages in connection with construction, by fire or other casualty, injury to or death of persons other than employees, damages to property of others, defecation of employees and agents, and the nonperformance of contractual obligations of others. It does not include workers' compensation or similar insurance on employees included as "labor" in paragraph (2) of this subdivision.

(15) Law expenditures includes the general law expenditures incurred in connection with construction and the court and legal costs directly related thereto, other than law expenses included in protection, paragraph (7) of this subdivision, and in injuries and damages, paragraph (8) of this subdivision.

(16) Taxes includes taxes on physical property (including land) during the period of construction and other taxes properly includible in construction costs before the facilities become available for service. The period for which taxes may be capitalized shall be limited to the period of construction. (See provisions set forth in paragraph (17) of this subdivision, Allowance for funds used during construction, which may be applicable, as appropriate, to this paragraph.)

(17) Allowance for funds used during construction. (i) Allowance for funds used during construction includes the net cost of borrowed funds used for construction purposes and a reasonable rate upon the utility's own funds when so used. No allowance-for-funds-used-during-construction charges shall be included in these accounts upon expenditures for construction projects which have been abandoned. Allowance for funds used during construction shall be charged to the individual job upon which the funds are expended and shall be credited to account 419.1, Allowance for Funds Used During Construction.

(ii) The period for which an allowance for funds used may be capitalized shall be limited to the period of construction. The period of construction shall extend from the date of commencement of construction to the time when property is ready for service, and shall also include any reasonable and necessary period during which the property is held for future service. No allowance for funds used should be accrued during periods of interrupted construction, unless the company can justify the interruption as being reasonable under the circumstances.

Note applicable to paragraphs (16) and (17) of this subdivision:
When a part only of a plant or project is placed in operation or is completed and ready for service, but the construction work as a whole is incomplete, that part of the cost of property placed in operation, or ready for service, shall be treated as "Water Plant in Service", and allowance for funds used and taxes thereon as charges to construction
shall cease. Allowance for funds used and taxes on that part of the cost of the plant which is incomplete may be continued as charges to construction until such time as it is placed in operation or is ready for service, except as limited by provisions of paragraphs (16) and (17) of this subdivision.

(18) Earnings and expenses during construction includes:

(i) all revenues derived during the construction period from property which is included in the cost of a project under construction; and

(ii) all expenses which are attributable to the revenues received.

(a) The earnings shall include revenues received or earned for water produced by plants during the construction period and sold or used by the utility. When such water is sold to an independent purchaser before intermingling with water from other plants, the credit shall consist of the selling price of the water. When the water from a plant under construction is delivered to the utility's water system for distribution and sale, or is delivered to an associated company, or is delivered to and used by the utility for purposes other than distribution and sale (for manufacturing or industrial use, for example), the credit shall be the fair value of the water so delivered. The revenues shall also include rentals for lands, buildings, etc., and miscellaneous receipts not properly includible in other accounts.

(b) The expenses shall consist of the cost of operating the water plant, and other costs incident to the production and delivery of the water for which construction is credited under clause (a) of this subparagraph, including the cost of repairs and other expenses (but not taxes) of operating and maintaining lands, buildings and other property, and other miscellaneous and like expenses not properly includible in other accounts.

(16) Overhead construction costs. (a) All overhead construction costs, such as engineering, supervision, general office salaries and expenses, construction engineering and supervision by others than the accounting utility, law expenses, insurance, injuries and damages, relief and pensions, taxes and interest, shall be charged to particular jobs or units on the basis of the amounts of such overheads reasonably applicable thereto, to the end that each job or unit shall bear its equitable proportion of such costs and that the entire cost of the unit, both direct and overhead, shall be deducted from the plant accounts at the time the property is retired.

(b) As far as practicable, the determination of payroll charges includible in construction overheads shall be based on time card distributions thereof. Where this procedure is impractical, special studies shall be made periodically of the time of supervisory employees devoted to construction activities to the end that only such overhead costs as have a definite relation to construction shall be capitalized. The addition to direct construction costs of arbitrary percentages or amounts to cover assumed overhead costs is not permitted.

(c) The records supporting the entries for overhead construction costs shall be so kept as to show the total amount of each overhead for each year, the nature and amount of each overhead expenditure charged to each construction work order and to each utility plant account, and the basis of distribution of such costs.
an operating unit or system is acquired by purchase, merger, consolidation, liquidation or otherwise, after the effective date of this system of accounts, the costs of acquisition, including expenses incidental thereto properly includible in water plant, shall be charged to account 102, Water Plant Purchased or Sold.

(b) The accounting for the acquisition shall then be completed as follows:

(1) The original cost of plant, estimated if not known, shall be credited to account 102, Water Plant Purchased or Sold, and concurrently charged to the appropriate water plant in service accounts and to account 104, Water Plant Leased to Others, account 105, Water Plant Held for Future Use, and account 107, Construction Work in Progress--Water, as appropriate.

(2) The depreciation and amortization applicable to the original cost of the properties purchased, shall be charged to account 102, Water Plant Purchased or Sold, and concurrently credited to the appropriate account for accumulated provision for depreciation or amortization.

(3) The cost to the utility of any property includible in account 121, Nonutility Property, shall be transferred thereto.

(4) The remaining amount of contributions in aid of construction, which have not been identified with and credited to specific water plant acquired, shall be disposed of in accordance with provisions of water plant instruction, section 563.2(e) of this Part.

(5) The amount remaining in account 102, Water Plant Purchased or Sold, shall then be closed to account 114, Water Plant Acquisition Adjustments, unless otherwise authorized by the commission.

(c) If property acquired in the purchase of an operating unit or system is in such physical condition when acquired that it is necessary substantially to rehabilitate it in order to bring the property up to the standards of the utility, the cost of such work, except replacements, shall be accounted for as part of the purchase price of the property.

(d) When any property acquired as an operating unit or system includes duplicate or other plant which will be retired by the accounting utility in the reconstruction of the acquired property or its consolidation with previously owned property, the proposed accounting for such property shall be presented to the commission.

(e) In connection with the acquisition of water plant constituting an operating unit or system, the utility shall procure, if possible, all existing records relating to the property acquired, or certified copies thereof, and shall preserve such records in conformity with regulations or practices governing the preservation of records of its own construction.

(f) When water plant constituting an operating unit or system is sold, conveyed or transferred to another by sale, merger, consolidation or otherwise, the book cost of the property sold or transferred to another shall be credited to the appropriate utility plant accounts, including amounts carried in account 114, Water Plant Acquisition Adjustments, and the amounts (estimated if not known) carried with respect thereto in the accounts for accumulated provisions for depreciation and amortization and in account 252, Customer Advances for Construction, shall be charged to such accounts and the contra entries made to account 102, Water Plant Purchased or Sold. Unless otherwise ordered by the commission, the difference, if any, between (1) the net amount of debits and credits and
(2) the consideration received for the property (less commissions and other expenses of making the sale) shall be included in account 421.1, Gain on Disposition of Property, or 421.2, Loss on Disposition of Property. (See account 102, Water Plant Purchased or Sold.)

Note: In cases where existing utilities merge or consolidate because of financial or operating reasons or statutory requirements rather than as a means of transferring title or purchased properties to a new owner, the accounts of the constituent utilities, with the approval of the commission, may be combined. In the event original cost has not been determined, the resulting utility shall proceed to determine such cost as outlined herein.

SO DOC 16C-563.6

563.6 Expenditures on leased property. (a) The cost of substantial initial improvements (including repairs, rearrangements, additions, and betterments) made in the course of preparing for utility service property leased for a period of more than one year, and the cost of subsequent substantial additions, replacements, or betterments to such property, shall be charged to the water plant account appropriate for the class of property leased. If the service life of the improvements is terminable by action of the lease, the cost, less net salvage, of the improvements shall be spread over the life of the lease by charges to account 404, Amortization of Limited-term Water Plant. However, if the service life is not terminated by action of the lease but by depreciation proper, the cost of the improvements, less net salvage, shall be accounted for as depreciable plant.

(b) If the improvements made to property leased for a period of more than one year are of relatively minor cost, or if the lease is for a period of not more than one year, the cost of the improvements shall be charged to the account in which rent is included, either directly or by amortization thereof.

SO DOC 16C-563.7

563.7 Land and land rights. (a) The accounts for land and land rights shall include the cost of land owned in fee by the utility, and rights, interests, and privileges held by the utility in land owned by others, such as leaseholds, easements, water and water power rights, diversion rights, submersion rights, rights-of-way, and other like interests in land. Do not include in the accounts for land and land rights and rights-of-way, costs incurred with first clearing and grading the land and rights-of-way and the damage costs associated with the construction and installation of plant. Such costs shall be included in the appropriate plant accounts directly benefited.

(b) Where special assessments for public improvements provide for deferred payments, the full amount of the assessments shall be charged to the appropriate land account and the unpaid balance shall be carried in an appropriate liability account. Interest on unpaid balances shall be charged to the appropriate interest account. If any part of the cost of public improvements is included in the general tax levy, the amount thereof shall be charged to the appropriate tax account.

(c) The net profit from the sale of timber, wood, sand, gravel, other resources, or other property acquired with the right-of-way or other lands shall be credited to the appropriate plant account to which related. Where land is held for a considerable period of time and timber and other natural resources on the land at the time of purchase increases in value, the net profit, (after giving effect to the cost of
the natural resources) from the sales of timber or its products or other natural resources shall be credited to the appropriate utility operating income account when such land has been recorded in account 105, Water Plant Held for Future Use, or classified as plant in service otherwise to account 421, Miscellaneous Nonoperating Income.

(d) Separate entries shall be made for the acquisition, transfer, or retirement of each parcel of land, and of each water right, land right, (except rights-of-way for distribution lines), having a life of more than one year. A record shall be maintained showing the nature of ownership, full legal description, area, map reference, purpose for which used, city, county, and tax district in which situated, from whom purchased or to whom sold, payment given or received, other costs, contract date and number, date of recording of deed, and book and page of record. Entries transferring or retiring land or land rights shall refer to the original entry recording its acquisition. A parcel of land acquired and carried on the books as a unit is not required to be subdivided with transfers to other land accounts merely because of the erection thereon of an incidental structure to be used in water operations but for a purpose differing from that for which the land is chiefly employed; for example, a small storehouse on source of supply land.

Note: In the case of distribution land rights, when the expected period of occupancy does not exceed the estimated life of the initial plant installed, the cost of permits or privileges to place distribution lines or other distribution plant and the related pay and expenses of employees and other costs incident to acquiring such permits, shall be included in the account appropriate for the cost of the property constructed and not in the accounts for distribution land or land rights.

(e) Any difference between the amount received from the sale of land or land rights, less agents' commissions and other costs incident to the sale, and the book cost of such land or rights shall be included in account 117, Accumulated Gains and Losses from Disposition of Utility Land and Land Rights, when such property has been used in utility service or recorded in account 105, Water Plant Held for Future Use, otherwise, such difference shall be included in account 421.1, Gain on Disposition of Property, or 421.2, Loss on Disposition of Property, as appropriate, unless a reserve therefore has been authorized and provided. Appropriate adjustments of the accounts shall be made with respect to any structures or improvements located on land sold.

(f) The cost of buildings and other improvements (other than public improvements) shall not be included in the land accounts. If at the time of acquisition of an interest in land such interest extends to buildings or other improvements (other than public improvements), which are then devoted to water operations, the land and improvements shall be separately appraised and the cost allocated to land and buildings or improvements on the basis of the appraisals. If the improvements are removed or wrecked without being used in operations, the cost of removing or wrecking shall be charged and the salvage credited to the account in which the cost of the land is recorded.

(g) When the purchase of land for water operations requires the purchase of more land than needed for such purposes, the charge to the specific land account shall be based upon the cost of the land purchased, less the fair market value of that portion of the land which
is not to be used in utility operations. The portion of the cost measured by the fair market value of the land not to be used shall be included in account 105, Water Plant Held for Future Use, account 118.2, Other Utility Plant, or account 121, Nonutility Property, as appropriate.

(h) Provision shall be made for amortizing amounts carried in the accounts for limited-term interest in land, so as to apportion equitably the cost of each interest over the life thereof. (See account 111, Accumulated Provision for Amortization of Water Plant in Service, and account 404, Amortization of Limited-term Water Plant.)

(i) The items of cost to be included in the accounts for land and land rights are as follows:
   (1) Bulkheads, buried, not requiring maintenance or replacement.
   (2) Cost, first, of acquisition including mortgages and other liens assumed (but not subsequent interest thereon).
   (3) Condemnation proceedings, including court and counsel costs.
   (4) Consents and abutting damages, payment for.
   (5) Conveyancers' and notaries' fees.
   (6) Fees, commissions, and salaries to brokers, agents, and others in connection with the acquisition of the land or land rights.
   (7) Leases, cost of voiding upon purchase to secure possession of land.
   (8) Removing, relocating, or reconstructing property of others, such as buildings, highways, railroads, bridges, cemeteries, churches, telephone and power lines, etc., in order to acquire quiet possession.
   (9) Retaining walls unless identified with structures.
   (10) Special assessments levied by public authorities for public improvements on the basis of benefit for new roads, new bridges, new sewers, new curbing, new pavements, and other public improvements, but not taxes levied to provide for the maintenance of such improvements.
   (11) Surveys in connection with the acquisition, but not amounts paid for topographical surveys and maps where such costs are attributable to structures, or plant equipment erected or to be erected or installed on such land.
   (12) Taxes assumed, accrued to date of transfer of title.
   (13) Title, examining, clearing, insuring, and registering in connection with the acquisition and defending against claims relating to the period prior to the acquisition.
   (14) Appraisals prior to closing title.
   (15) Cost of dealing with distributees or legatees residing outside of the State or country, such as recording power of attorney, recording will or exemplification of will, recording satisfaction of State tax.
   (16) Filing satisfaction of mortgage.
   (17) Documentary stamps.
   (18) Photographs of property at acquisition.
   (19) Fees and expenses incurred in the acquisition of water rights, and grants.
   (20) Cost of fill to extend bulkhead line over land under water, where riparian rights are held, which is not occasioned by the erection of a structure.
   (21) Sidewalks and curbs constructed by the utility on public property.
   (22) Labor and expenses in connection with securing rights-of-way, where performed by company employees and company agents.
563.8 Structures and improvements. (a) The accounts for structures and improvements shall include the costs of all buildings and facilities to house, support, or safeguard property or persons, including all fixtures permanently attached to and made a part of buildings and which cannot be removed therefrom without cutting into the walls, ceilings, or floors or without in some way impairing the buildings, and improvements of a permanent character on or to land. Also include those costs incurred in connection with the first clearing and grading of land and rights-of-way and the damage costs associated with construction and installation of plant.

(b) The cost of specially provided foundations not intended to outlast the machinery or apparatus for which provided, and the cost of angle irons, castings, etc., installed at the base of an item of equipment, shall be charged to the same account as the cost of the machinery, apparatus, or equipment.

(c) Minor buildings and structures, such as valve towers, patrolmen's towers, telephone stations, etc., which are used directly in connection with or form a part of a reservoir, dam, waterway, etc., shall be considered a part of the facility in connection with which constructed or operated and the cost thereof accounted for accordingly.

(d) Where furnaces and boilers are used primarily for furnishing steam for some particular department and only incidentally for furnishing steam for heating a building and operating the equipment therein, the entire cost of such furnaces and boilers shall be charged to the appropriate plant account, and no part to the building account.

(e) Where the structure of a dam forms also the foundation of a building, such foundation shall be considered a part of the dam.

(f) The cost of disposing of materials excavated in connection with construction of structures shall be considered as a part of the cost of such work, except as follows:

1. when such material is used for filling, the cost of loading, hauling, and dumping shall be equitably apportioned between the work in connection with which the removal occurs and the work in connection with which the material is used;

2. when such material is sold, the net amount realized from such sales shall be credited to the work in connection with which the removal occurs. If the amount realized from the sale of excavated materials exceeds the removal costs and the costs in connection with the sale, the excess shall be credited to the land account in which the site is carried.

(g) Lighting or other fixtures temporarily attached to buildings for purposes of display or demonstration shall not be included in the cost of the building but in the appropriate equipment account.

(h) The items of cost to be included in the accounts for structures and improvements are as follows:

1. Architects' plans and specifications including supervision.
2. Ash pits (when located within the building).
3. Athletic field structures and improvements.
4. Boilers, furnaces, piping, wiring, fixtures, and machinery for heating, lighting, signaling, ventilating, and air conditioning systems, plumbing, vacuum, cleaning systems, incinerator and smoke pipe, flues, etc.
5. Bulkheads, including dredging, riprap fill, piling, decking,
concrete, fenders, etc., when exposed and subject to maintenance and replacement.

(6) Chimneys.

(7) Coal bins and bunkers.

(8) Commissions and fees to brokers, agents, architects and others.

(9) Conduit (not to be removed) with its contents.

(10) Damages to abutting property during construction.

(11) Docks.

(12) Door checks and door stops.

(13) Drainage and sewerage systems.

(14) Elevators, cranes, hoists, etc., and the machinery for operating them.

(15) Excavation, including shoring, bracing, bridging, refill, and disposal of excess excavated material, cofferdams around foundation, pumping water from cofferdams during construction, and test borings.

(16) Fences and fence curbs (not including protective fences isolating items of equipment, which shall be charged to the appropriate equipment account).

(17) Fire protection systems, when forming a part of a structure.

(18) Flagpole.

(19) Floor covering (permanently attached).

(20) Foundations and piers for machinery, constructed as a permanent part of a building or other items listed herein.

(21) Grading and clearing, when directly occasioned by the building of a structure.

(22) Intrasite communication system, poles, pole fixtures, wires and cables.

(23) Landscaping, lawns, shrubbery, etc.

(24) Leases, voiding upon purchase to secure possession of structures.

(25) Leased property, expenditures on.

(26) Lighting fixtures and outside lighting system.

(27) Mail chutes, when part of a building.

(28) Marquee, permanently attached to building.

(29) Painting, first cost.

(30) Permanent paving, concrete, brick, flagstone, asphalt, etc., within the property lines.

(31) Partitions, including movable.

(32) Permits and privileges.

(33) Platforms, railings and gratings, when constructed as a part of a structure.

(34) Power boards for services to a building.

(35) Refrigerating systems for general use.

(36) Retaining walls, except when identified with land.

(37) Roadways, railroads, bridges and trestles, intrasite, except railroads provided for in equipment accounts.

(38) Roofs.

(39) Scales, connected to and forming a part of a structure.

(40) Screens.

(41) Sewer systems, for general use.

(42) Sidewalks, culverts, curbs and streets constructed by the utility on its property.

(43) Sprinkling systems.

(44) Sump pumps and pits.

(45) Stacks--brick, steel or concrete, when set on foundation forming
part of general foundation and steelwork of a building.
(46) Steel inspection during construction.
(47) Storage facilities constituting a part of a building.
(48) Storm doors and windows.
(49) Subways, areaways and tunnels, directly connected to and forming part of a structure.
(50) Tanks, constructed as part of a building or as a distinct structural unit.
(51) Temporary heating during construction (net cost).
(52) Temporary water connection during construction (net cost).
(53) Temporary shanties and other facilities used during construction (net cost).
(54) Topographical maps.
(55) Tunnels, intake and discharge, when constructed as part of a structure, including sluice gates, and those constructed to house mains.
(56) Vaults constructed as part of a building.
(57) Watchmen's sheds and clock systems (net cost when used during construction only).
(58) Water basins or reservoirs.
(59) Waterfront improvements.
(60) Water meters and supply system for a building or for general company purposes.
(61) Water supply piping, hydrants and wells.
(62) Wharves.
(63) Window shades and ventilators.
(64) Yard drainage system.
(65) Yard lighting system.
(66) Yard surfacing--gravel, concrete or oil. (First cost only.)

Note: Structures and improvements accounts shall be credited with the cost of coal bunkers, stacks, foundations, subways, tunnels, etc., the use of which has terminated with the removal of the equipment with which they are associated, even though they have not been physically removed.

563.9 Equipment. (a) The cost of equipment chargeable to the water plant accounts, unless otherwise indicated in the text of an equipment account, includes the net purchase price thereof, sales taxes, investigation and inspection expenses necessary to such purchase, expenses of transportation when borne by the utility, labor employed, materials and supplies consumed, and expenses incurred by the utility in unloading and placing the equipment in readiness to operate. Also include those costs incurred in connection with the first clearing and grading of land and rights-of-way and the damage costs associated with construction and installation of plant.

(b) Exclude from equipment accounts hand and other portable tools which are likely to be lost or stolen or which have relatively small value (for example, $200 or less) or short life, unless the correctness of the accounting therefor as water plant is verified by current inventories. Special tools acquired and included in the purchase price of equipment shall be included in the appropriate plant account. Portable drills and similar tool equipment, when used in connection with the operation and maintenance of a particular plant or department, such as pumping, transmission, distribution, etc., or in "stores", shall be charged to the plant account appropriate for their use.

(c) The equipment accounts shall include angle irons and similar items
which are installed at the base of an item of equipment, but piers and foundations which are designed to be as permanent as the buildings which house the equipment, or which are constructed as a part of the building and which cannot be removed without cutting into the walls, ceilings or floors, or without in some way impairing the building, shall be included in the building accounts.

(d) The equipment accounts shall include the necessary costs of testing or running a plant or part thereof during an experimental or test period prior to becoming available for service. The utility shall furnish the commission with full particulars of and justification for any test or experimental run extending beyond a period of 30 days.

(e) The cost of efficiency or other tests made subsequent to the date equipment becomes available for service shall be charged to the appropriate expense accounts, except that tests to determine whether equipment meets the specifications and requirements as to efficiency, performance, etc., guaranteed by manufacturers, made after operations have commenced and within the period specified in the agreement or contract of purchase, may be charged to the appropriate water plant account.

563.10 Additions and retirements of water plant. (a) For the purpose of avoiding undue refinement in accounting for additions to and retirements and replacements of water plant, all property shall be considered as consisting of:

(1) retirement units; and
(2) minor items of property.

Each utility shall use such list of retirement units as is in use by it at the effective date hereof, or as may be prescribed by the commission. Not later than December 31st of the year in which a utility first becomes subject to this system of accounts, it shall file with the commission a list of the items of property it proposes to account for as retirement units of property. Revisions of such list may be made at any time by appropriate filing thereof with the commission.

(b) The addition and retirement of retirement units shall be accounted for as follows:

(1) When a retirement unit is added to the water plant, the cost thereof shall be added to the appropriate water plant account, except that when units are acquired in the acquisition of any water plant constituting an operating system, they shall be accounted for as provided in water plant instruction, section 563.5 of this Part.

(2) When property ceases to be used and useful in water service, it shall be retired immediately from the water plant accounts. When a retirement unit is retired from water plant with or without replacement, the book cost thereof shall be credited to the water plant account in which it is included, determined in the manner set forth in subdivision (d) of this section. If the retirement unit is of a depreciable class, the book cost of the unit retired and credited to water plant shall be charged to the accumulated provision for depreciation applicable to such property. The cost of removal and the salvage shall be charged or credited, as appropriate, to such depreciation account. (See also account 108 and water plant instruction, section 563.11 of this Part.)

(c) The addition and retirement of minor items of property shall be accounted for as follows:

(1) When a minor item of property which does not replace a similar
item and which is a part of or associated with a retirement unit and
will be accounted for and retired together with such unit, and which by
itself or together with other similar items makes a substantial
addition, is added to the plant, the cost thereof shall be added to the
appropriate water plant account; otherwise the cost of any minor item of
property shall be charged to the appropriate maintenance account. The
amount added to water plant accounts for such minor items shall not,
however, exceed the additional cost computed at current prices that
would have been incurred if the minor items had been installed together
with the retirement units to which they are related.

(2) When a minor item of property is retired and not replaced, the
book cost thereof shall be credited to the water plant account in which
it is included; and, in the event the minor item is a part of
depreciable plant, the account for accumulated provision for
depreciation shall be charged with the book cost and cost of removal and
credited with the salvage. If, however, the book cost of the minor item
retired and not replaced has been or will be accounted for by its
inclusion in the retirement unit of which it is a part when such unit is
retired, no separate credit to the property account is required when
such minor item is retired.

(3) When a minor item of depreciable property is replaced
independently of the retirement unit of which it is a part, the cost of
replacement shall be charged to the maintenance account appropriate for
the item, except that if the replacement effects a substantial
betterment (the primary aim of which is to make the property affected
more useful, more efficient, or of greater durability, or of greater
capacity), the excess cost of the replacement over the estimated cost at
current prices of replacing without betterment shall be charged to the
appropriate water plant account.

(d) The book cost of water plant retired shall be the amount at which
such property is included in the water plant accounts, including all
components of construction costs. The book cost shall be determined from
the utility's records, and if this cannot be done it shall be estimated.
When it is impracticable to determine the book cost of each unit, due to
the relatively large number or small cost thereof, an appropriate
average book cost of the units, with due allowance for any differences
in size and character, shall be used as the book cost of the units
retired.

(e) The book cost of land retired shall be credited to the appropriate
land account. If the land is sold, the difference between the book cost
(less any accumulated provision for depreciation, or amortization
thereof which has been authorized and provided) and the sale price of
the land (less commissions and other expenses of making the sale) shall
be recorded in account 117, Accumulated Gains and Losses from
Disposition of Utility Land and Land Rights, when the property has been
used in utility service, or recorded in account 105, Water Plant Held
for Future Use; otherwise such difference shall be included in accounts
421.1, Gain on Disposition of Property, or 421.2, Loss on Disposition of
Property, as appropriate. If land is not used in utility service but is
retained by the utility, such property shall be charged to account 105,
Water Plant Held for Future Use, or account 121, Nonutility Property, as
appropriate, in accordance with instructions contained in section
563.12, Transfers of Property.

(f) The book cost less net salvage of depreciable water plant retired
shall be charged in its entirety to account 108, Accumulated Provision for Depreciation of Water Plant in Service. Any amounts which, by approval or order of the commission, are charged to account 182, Extraordinary Property Losses, shall be credited to account 108, Accumulated Provision for Depreciation of Water Plant in Service.

(g) The accounting for the retirement of amounts, included in account 302, Franchises and Consents, and account 303, Miscellaneous Intangible Plant, and the items of limited-term interest in land included in the accounts for land and land rights, shall be as provided for in the text of account 111, Accumulated Provision for Amortization of Water Plant in Service, account 404, Amortization of Limited-term Water Plant, and account 405, Amortization of Other Water Plant.

(h) The ledgers containing the primary water plant accounts and subdivisions thereof shall be kept so as to show on their face (1) additions, (2) retirements, and (3) transfers and adjustments. Corrections of errors and adjustments to additions or retirements in the current or preceding year shall be classified as additions or retirements.

(i) The cost of paving disturbed, including replacing pavement, pavement base and sidewalks, shall be included in the water plant accounts only when incurred in connection with the addition of one or more retirement units of property; and the cost associated with a particular retirement unit shall be retired when that retirement unit is retired, irrespective of whether the paving itself has a shorter or longer life. No addition (except charges to land for public improvements) shall be made to any water plant account for cost of paving installed in public streets which is not directly occasioned by the installation of property constituting one or more retirement units with which the paving cost is associated as an element of cost.

563.11 Work order and property record system required. (a) Each utility shall record all construction and retirements of water plant by means of work orders or job orders. Separate work orders may be opened for additions to and retirements of water plant or the retirements may be included with the construction work order, provided, however, that all items relating to the retirements shall be kept separate from those relating to construction and provided, further, that any maintenance costs involved in the work shall likewise be segregated.

(b) Each utility shall keep its work order system so as to show the nature of each addition to or retirement of water plant, the total cost thereof, the source or sources of costs, and the water plant account or accounts to which charged or credited. Work orders covering jobs of short duration may be cleared monthly.

(c) Each utility shall maintain records in which, for each plant account, the amounts of the annual additions and retirements, subsequent to the effective date of this system of accounts, are classified so as to show the number and cost of the various record units or retirement units.

(d) All installations, additions, retirements, or replacements shall be covered by a work order estimate and a work in progress record, which shall be supported as indicated in subdivisions (e) and (f) herein. Standing work orders may be used for projects of less than $1,000 each, 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.

(e) The work order estimate shall include the following particulars:

1. A designation number or letter and the signature of the officer or employee who authorized the work or purchase. If authorization is by the board of directors or other body, the proper officer shall so state over his signature.

2. A description and the location of the work to be done (or the purchase to be made), stating the reasons which necessitated the work, and the dates between which such work (or purchase) is to be accomplished. For each project of which interest during construction is charged, the date when completed and the date when 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 cost of the project.

6. When a project involves changes in existing property, either the work order estimate or the work in progress record shall show the year or installation of the property retired or otherwise affected and shall show or refer to other records which cover the book cost (estimated if not known, and the basis of the estimate to be stated) and the name and page of the accounting and engineering books and records covering such installation and the cost thereof.

(f) The work in progress record shall contain the following particulars:

1. A designation number or letter which shall correspond to the number or letter of 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 shall be numbered or lettered in such manner as to be readily identifiable with the work order estimate for the same project.

2. The accumulated charges applicable to each particular 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 water plant account, the work in progress record shall be kept so as to show the amount chargeable to each account. Every charge or credit on 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--Water 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 chargeable. Upon coming into service, completed portions involving additions to accounts shall be transferred to the appropriate account although other portions of the work covered by the same work order are not yet completed and the work order has not been closed. Credits for such transfers shall be made in separate columns.

Note A: 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 which satisfies the commission that the system which it has in use for recording changes in water 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—Water, or subaccount 108.1, Retirement Work in Progress, as applicable.

Note B: The work order system is required to record changes in water plant used wholly or partly in water 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.

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563.12 Transfers of property. (a) When property is transferred from one water plant account to another, from one utility department to another, such as from water to electric, from one operating division or area to another, to or from accounts 101, Water Plant in Service, 104, Water Plant Leased to Others, and 105, Water Plant Held for Future Use, the transfer shall be recorded by transferring the original cost thereof from the one account, department, or location to the other. Any related amounts carried in the accounts for accumulated provisions for depreciation or amortization shall be transferred in accordance with the segregation of such accounts.

(b) When depreciable property is transferred from the water plant accounts to account 121, Nonutility Property, the transfer shall be accomplished by crediting the water plant accounts and charging the accumulated provision for depreciation with the book cost of the item transferred; the accumulated provision for depreciation shall then be credited, as the estimated salvage, and account 121, Nonutility Property, concurrently charged with the market value of the property transferred. If the property is sold within a relatively short time, a debit or credit shall be made to the accumulated provision for depreciation to adjust the estimated salvage to the amount actually realized. If at the time of transfer, the market value is less than the cost new, account 121 may be charged with the cost new (instead of the market value) and account 122, Accumulated Provision for Depreciation and Amortization of Nonutility Property, credited with the difference between such cost and the market value.

(c) When nondepreciable land or land rights are transferred from the water plant accounts to account 121, Nonutility Property, the transfer shall be accomplished by crediting the appropriate plant accounts with the book cost of such property and charging account 121, Nonutility Property, with the market value of the property transferred; any difference between the book cost and the market value of the property transferred shall be included in account 117, Accumulated Gains and Losses from Disposition of Utility Land and Land Rights. If the property is sold within a relatively short time the related gain or loss previously recorded in account 117, shall be adjusted to the amount actually realized upon sale of such property.

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563.13 Common utility plant.

(a) If the utility is engaged in more than one utility service, such as water, electric and gas, and any of its utility plant is used in common for several utility services or for other purposes to such an extent and in such manner that it is impracticable to segregate it by
utility services currently in the accounts, such property may be designated and classified as "common utility plant".

(b) The book amount of utility plant designated as common plant shall be included in account 118.1, Common Utility Plant, and if applicable in part to water department, shall be segregated and accounted for in subaccounts as water plant is accounted for in accounts 101 to 107, inclusive, and water plant adjustments in accounts 114 and 116; any amounts classifiable as common plant acquisition adjustments or common plant adjustments shall be subject to disposition as provided in paragraph C and B of accounts 114 and 116, respectively, or amounts classified in those accounts. The original cost of common utility plant in service shall be classified according to detailed utility plant accounts appropriate for the property.

(c) The utility shall be prepared to show at any time and to report to the commission annually, or more frequently, if required, and by utility plant accounts (301 to 399) the following: (1) the book cost of common utility plant, (2) the allocation of such cost to the respective departments using the common utility plant, and (3) the basis of the allocation.

(d) The accumulated provision for depreciation and amortization of the utility shall be segregated so as to show the amount applicable to the property classified as common utility plant.

(e) The expenses of operation, maintenance, rents, depreciation and amortization, and taxes of common utility plant shall be recorded in the accounts prescribed herein, but designated as common expenses, and the allocation of such expenses to the departments using the common utility plant shall be supported in such manner as to reflect readily the basis of allocation used. Provisions in this system of accounts applicable to water plant and operations shall extend also to the accounts for common utility plant and operations.

563.14 Supply, transmission and distribution mains. (a) All mains, pipes, aqueducts, canals or other facilities for carrying water shall be classified according to their primary functional use as follows:

Supply mains
Transmission and distribution mains
Fire mains

(b) Supply main means any main, pipe, aqueduct or canal the primary purpose of which is to convey water from one unit to another unit in the source of supply, water treatment or pumping plant and generally providing no service connections with customers.

(c) Transmission and distribution main means any main the primary purpose of which is to convey water, requiring no further processing except incidental chlorination or pressure boosting, from a unit in the source of supply, water treatment or pumping plant to customers.

(d) Fire main means any main forming part of an integrated system used exclusively for fire protection purposes.

563.15 Multiple use plant. Land, rights-of-way and structures used jointly for several functions, such as supply, and transmission and distribution purposes, shall be classified according to the major use thereof.
INSTRUCTIONS--UNAPPROPRIATED RETAINED EARNINGS ACCOUNTS
(Statutory authority: Public Service Law, § 89-c, subd. 3)

Sec. 564.1 Unappropriated retained earnings accounts

Section 564.1 Unappropriated retained earnings accounts. The several accounts thereof (433, and 436 to 439) are designed to show the changes in unappropriated retained earnings during each calendar year resulting from:

(a) The operations and other transactions during the period as reflected in the income accounts;
(b) Appropriations and reservations of retained earnings for specific purposes;
(c) Accounting adjustments not properly attributable to the period (see account 439);
(d) Appropriations for dividends.

PART 565
INSTRUCTIONS--INCOME ACCOUNTS
(Statutory authority: Public Service Law, § 89-c, subd. 3)

Sec. 565.1 Records for other income
565.2 Income from sinking and other funds
565.3 Rents includible in income accounts

Section 565.1 Records for other income. The records supporting the other income shall be so kept that the utility can furnish detailed statements of the revenues from each source and the expenses and other deductions related to such revenues.

Section 565.2 Income from sinking and other funds.

(a) Interest and other revenues derived from funds carried in account 125, Sinking Funds, and account 128, Other Special Funds, shall be credited to account 419, Interest and Dividend Income.

(b) When the income is required by a mortgage or other provisions to be held in the fund from which the income arises, an amount equal to the income shall be added to the fund to which it is applicable.

(c) When income derived from sinking funds and other special funds is required to be retained in the fund and the fund is represented by a reserve, the amount of such income accretions to the fund shall be credited to the appropriate reserve account and charged to account 436, Appropriations of Retained Earnings.

Section 565.3 Rents includible in income accounts.

(a) Rents which the utility receives from others for water operating property the investment in which is properly includible in account 104, Water Plant Leased to Others shall be recorded in account 412, Revenues from Water Plant Leased to Others. Rentals from water property owned by the utility and property includible in account 101, Water Plant in Service, shall be credited to account 472, Rents from Water Property.

(b) All expenses, including the provision for depreciation, if any, applicable to property the revenues from which are included in account 412, Revenues from Water Plant Leased to Others, shall be charged to account 413, Expenses of Water Plant Leased to Others.
INSTRUCTIONS--OPERATING REVENUE ACCOUNTS

(Statutory authority: Public Service Law, ñ 89-c, subd. 3)

Sec.
566.1 Basis of credits to operating revenue accounts
566.2 Water supplied without direct charge
566.3 Water or steam used by the utility

Section 566.1 Basis of credits to operating revenue accounts. Credits to the operating revenue accounts shall be made on the basis of the net tariff rates. Discounts forfeited for delayed payments shall be credited to account 470, Forfeited Discounts. Corrections of overcharges and overcollections theretofore credited, authorized abatements and allowances, and other corrections shall be charged to the revenue accounts to which they relate.

566.2 Water supplied without direct charge. Water supplied to municipalities, or to other governmental units, without charge, in accordance with franchise and similar requirements, shall be charged to account 927, Franchise Requirements, and credited concurrently to account 929, Duplicate Charges--Credit.

566.3 Water or steam used by the utility. (a) If the utility desires to charge the appropriate accounts in any of its water operations with the cost of water or steam used from its own supply, the credit therefor shall not be made to operating revenue accounts, but to account 929, Duplicate Charges--Credit.

(b) Water supplied by the utility from its own supply to other departments shall be accounted for in the following manner: If the water is supplied under a definite arrangement whereby the actual costs are allocated between or among the departments using the water, the credit in the accounts of the water department shall be made to the appropriate operations or maintenance account or accounts, except that the amount of any return or interest, and the amount of depreciation and taxes charged against the other departments shall be credited to account 473, Interdepartmental Rents. If the charges are at tariff or other specified rates for the water supplied, then the entire amount charged shall be credited to account 467, Interdepartmental Sales.

INSTRUCTIONS--OPERATING EXPENSE

(Statutory authority: Public Service Law, ñ 89-c, subd. 3)

Sec.
567.1 Supervision and engineering
567.2 Maintenance
567.3 Rents
567.4 Salvage and insurance
567.5 Joint facility rents and expenses

Section 567.1 Supervision and engineering. The supervision and engineering includible in the operating expense accounts shall consist of the pay and expenses of superintendents, engineers, clerks, other employees and consultants engaged in supervising and directing the
operation and maintenance of each utility function. Wherever allocations are necessary in order to arrive at the amount to be included in any account the method and basis of allocation shall be reflected by underlying records.

ITEMS

Labor:
1. Special tests to determine efficiency of equipment operation.
2. Preparing or reviewing budgets, estimates, and drawings relating to operation or maintenance for departmental approval.
3. Preparing instructions for operations and maintenance activities.
4. Reviewing and analyzing operating results.
5. Establishing organizational setup of departments and executing changes therein.
6. Formulating and reviewing routines of departments and executing changes therein.
7. General training and instruction of employees by supervisors whose pay is chargeable hereeto. Specific instruction and training in a particular type of work is chargeable to the appropriate functional account.
8. Secretarial work for supervisory personnel, but not general clerical and stenographic work chargeable to other accounts.

Expenses:
9. Consultants' fees and expenses.
10. Meals, traveling and incidental expenses.

567.2 Maintenance. (a) The cost of maintenance chargeable to the various operating expense and clearing accounts includes labor, materials, overheads, and other expenses incurred in maintenance work. A list of work operations applicable generally to utility plant is included hereunder. Other work operations applicable to specific classes of plant are listed in functional maintenance expense accounts.

(b) Materials recovered in connection with the maintenance of property shall be credited to the same account to which the maintenance cost was charged.

(c) If the book cost of any property is carried in account 102, Water Plant Purchased or Sold, the cost of maintaining such property shall be charged to the accounts for maintenance of property of the same class and use, the book cost of which is carried in other water plant in service accounts. Maintenance of property leased from others shall be treated as provided in operating expense instruction 567.3.

ITEMS
1. Direct field supervision of maintenance.
2. Inspecting, testing, and reporting on condition of plant specifically to determine the need of repairs, replacements, rearrangements and changes in inspecting and testing the adequacy of repairs which have been made.
3. Work performed specifically for the purpose of preventing failure, restoring serviceability or maintaining life of plant.
4. Rearranging and changing the location of plant not retired.
5. Repairing for reuse materials recovered from plant.
6. Testing for, locating and clearing trouble.
7. Net cost of installing, maintaining, and removing temporary facilities to prevent interruptions in service.
8. Replacing or adding minor items of plant which do not constitute a
567.3 Rents. (a) The rent expense accounts provided under the several functional groups of expense accounts shall include all rents, including taxes paid by the lessee on leased property, for property used in water operations, except (1) minor amounts paid for occasional or infrequent use of any property or equipment and all amounts paid for use of equipment that, if owned, would be includible in plant accounts 391 to 398, inclusive, which shall be treated as an expense item and included in the appropriate functional account and (2) rents which are chargeable to clearing accounts, and distributed therefrom to the appropriate account. Rent of sales rooms or of equipment used in connection with merchandising activities shall be included in account 416, Costs and Expenses of Merchandising, Jobbing and Contract work. If rents cover property used for more than one function, such as pumping and distribution, or by more than one department, the rents shall be apportioned to the appropriate rent expense or clearing accounts of each department on an actual, or, if necessary, an estimated basis.

(b) When a portion of property or equipment rented from others for use in connection with utility operations is subleased, the revenue derived from such subleasing shall be credited to the rent revenue account in operating revenues; provided, however, that in case the rent was charged to a clearing account, amounts received from subleasing the property shall be credited to such clearing account.

(c) The cost, when incurred by the lessee, of operating and maintaining leased property, shall be charged to the accounts appropriate for the expense if the property was owned.

(d) The cost incurred by the lessee of additions and replacements to water plant leased from others shall be accounted for as provided in water plant instruction 563.6.

(e) Property operated jointly by the utility and another or others under a definite arrangement whereby the actual costs are shared between or among the parties shall be considered for the purpose of this system of accounts as a joint facility, and the accounting in connection therewith shall be handled as provided in operating expense instruction 567.5.

567.4 Salvage and insurance. (a) Salvage and insurance recovered in connection with maintenance jobs shall be credited to the appropriate maintenance accounts.

(b) If the amount of insurance recovered is relatively large and is received before the repairs have been completed, a disproportionate credit to operating expenses may be avoided by crediting the amount of the insurance recovered to a suspense account, to be transferred to the appropriate maintenance accounts as the charges for the work are made.

(c) Insurance recovered in connection with personal injuries charged to account 925, Injuries and Damages, shall be credited to that account.

(d) Dividends distributed by mutual insurance companies shall be credited to the accounts to which the insurance premiums were charged.

(e) Recoveries under fidelity bonds shall be credited to the account charged with the loss.

567.5 Joint facility rents and expenses. (a) A joint facility for the purpose of this system of accounts is defined as any property occupied
or used jointly by the utility and another or others under a definite arrangement whereby the actual costs are shared between or among the parties. Property of the utility occupied or used under a similar definite arrangement between the water department and a coordinate department or departments shall likewise be considered as a joint facility. (See operating revenue instruction, ñ 566.3.)

(b) When the utility owns the joint facility, any amount received or transferred as reimbursement of operating or maintenance expenses shall be credited to the appropriate operation, maintenance, or clearing account except credits for steam or other power transferred, which shall be entered in account 625, Expenses Transferred--Credit; amounts received or transferred covering depreciation, taxes and interest or return, shall be credited, in the case of another or others, to account 472, Rents from Water Property, and in the case of coordinate departments to account 473, Interdepartmental Rents.

(c) The amount paid by or transferred to the utility for costs of operation and maintenance in connection with occupancy or use of a joint facility owned by another shall be charged to the appropriate operation, maintenance, or clearing account or accounts; the amounts for depreciation, taxes and interest or return shall be charged to the rent account appropriate for the class of property involved.

(d) In the event that joint facilities are used by either party in connection with construction work, credits for the full amount received and charges for the full amount paid, as the case may be, shall be made direct to the construction accounts affected.

(e) These instructions are not intended to cover cases of joint ownership of property when each joint owner bears the cost of operating and maintaining its own property. In such cases the cost of operations and maintenance shall be recorded in the appropriate operation and maintenance accounts even though one of the joint owners operates or maintains the property and bills against other owners for all or a portion of the expenses incurred.

(f) Water supplied by the utility from its own supply to a coordinate department shall be accounted for as provided in operating revenue instruction section 566.3. If the utility desires to charge the appropriate accounts in any of its water operations with the cost of steam or other power used from its own supply, credit therefor shall be made to account 929, Duplicate Charges--Credit.

(g) If the arrangement regarding use of facilities does not provide for the allocation of actual costs, the facilities shall not be considered as joint.

(h) The utility shall be prepared to furnish for each charge or credit the detail thereof and the basis of allocation.

ACCOUNTS
BALANCE SHEET ACCOUNTS
ASSETS AND OTHER DEBITS

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ASSETS AND OTHER DEBITS

1. UTILITY PLANT

101. Water Plant in Service
   A. This account shall include the original cost of water 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 water 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 water plant instruction, § 563.6.)

102. Water Plant Purchased or Sold
   A. This account shall be charged with the cost of water 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 water plant instruction, § 563.5.

103. Water Plant in Process of Reclassification
   A. This account shall include temporarily the balance of utility plant as of the effective date of the prior system of accounts, which has not yet been reclassified as of the effective date of this system of accounts. The detailed or primary accounts in support of this account employed prior to such date shall be continued pending reclassification into the water plant accounts herein prescribed (301-399), but shall not be used for additions, betterments, or new construction.
   B. No charges other than as provided in paragraph A, above, shall be made to this account, but retirements of such unclassified water plant shall be credited hereto and to the detailed or primary accounts maintained in support of this account until the reclassification shall have been accomplished.

104. Water Plant Leased to Others
   A. This account shall include the original cost of water 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 water plant in service, and this account shall be maintained in such detail as though the property were used by the owner in its water operations.

105. Water Plant Held for Future Use
   A. This account shall include the original cost of water plant (except land and land rights) owned and held for future use in water 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 water 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 water service, but retired from such service and held pending
its reuse in the future, under a definite plan, in water service.

B. This account shall also include the original cost of land and land rights owned and held for future use in water service under a plan for such use, to include land and land rights: (1) Acquired but never used by the utility in water service, but held for such service in the future under a plan, and (2) previously held by the utility in water service, but retired from such service and held pending its reuse in the future under a plan, in water service. (See water plant instruction 563.7.)

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 117, Accumulated Gains and Losses from Disposition of Utility Land and Land Rights.

E. The property included in this account shall be classified according to the detail accounts (301 to 399) prescribed for water plant in service and the account shall be maintained in such detail as though the property were in service.

Note: Materials and supplies, and meters held in reserve, and normal spare capacity of plant in service shall not be included in this account.

106. Completed Construction Not Classified--Water

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 water plant which has been completed and placed in service, but which work orders have not been classified for transfer to the detailed water plant accounts.

Note: For the purpose of reporting to the commission, the classification of water 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 water plant in service.

107. Construction Work in Progress--Water

A. This account shall include the total of the balances of work orders for water 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 pumping station or water treatment plant, 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 water 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: See also account 106, Completed Construction Not Classified.

108. Accumulated Provision for Depreciation of Water Plant in Service

A. This account shall be credited with the following:
   (1) Amounts charged to account 403, Depreciation Expense, 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 water properties acquired as operating units or systems. (See water plant instruction, ð 563.5).
   (3) Amounts charged to account 182, Extraordinary Property Losses, when authorized by the commission.

B. At the time of retirement of depreciable water 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 water plant instruction, ð 563.10(b)(2).) When retirements, cost of removal and salvage are entered originally in retirement work orders, the net total of such orders may 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 water plant accounts. Such subsidiary records shall reflect the current credits and debits to this account in sufficient detail to show separately for each primary water 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, general instruction 561.13,(d).)

D. When transfers of plant are made from one water 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 water plant instruction, ð 563.12.

E. The utility is restricted in its use of the accumulated provisions for depreciation to the purposes set forth above. It shall not divert 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 Water Plant Leased to Others

A. This account shall be credited with amounts charged to account 413, Expenses of Water Plant Leased to Others for current depreciation expense of property included in account 104, Water 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 Water 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 provisions 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 Water 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, Water Plant Held for Future Use. Include, also, the balance of accumulated provision for depreciation on property which may be transferred to account 105, Water Plant Held for Future Use, from other property accounts.

B. The utility is restricted in its use of 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 water plant in service. 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 of Water Plant in Service

A. This account shall be credited with amounts charged to account 404, Amortization of Limited-term Water Plant, for the current amortization of limited-term water investments. It shall be credited also with amounts which may be charged to account 405, Amortization of Other Water Plant, or to account 425, Miscellaneous Amortization, to amortize intangible or other water plant which does not have a definite or terminable life and is not subject to charges for depreciation expense.

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 or Disposition of Property, or 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 provisions 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 of the commission.

112. Accumulated Provision for Amortization of Water Plant Leased to Others

A. This account shall be credited with amounts charged to account 413, Expenses of Water Plant Leased to Others, for the current amortization of limited-term or other investments subject to amortization included in account 104, Water Plant 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.

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.

113. Accumulated Provision for Amortization for Water 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, Water Plant Held for Future Use. Include, also, the balance of accumulated provision for amortization on property which may be transferred to account 105, Water 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 amortization by the commission.

114. Water Plant Acquisition Adjustments

A. This account shall include amounts determined in accordance with water plant instruction, ð 563.5 representing the differences between (1) the amount of money actually paid (or the current money value of any consideration other than money exchanged) for water 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 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 water plant in service, water plant held for future use, and water plant leased to others. (See water plant instruction, ð 563.5.)

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 Water Plant Acquisition Adjustments
This account shall be credited or debited with amounts which are includible in account 406, Amortization of Water Plant Acquisition Adjustments or account 425, Miscellaneous Amortization, for the purpose of providing for the extinguishment of amounts in account 114, Water Plant Acquisition Adjustments, in instances where the amortization of account 114 is not being made by direct write-offs of the account.

116. Other Water Plant Adjustments
A. This account shall include the difference between the original cost, estimated if not known, and the book cost of utility plant to the extent that such difference is not properly includible in account 114, Water Plant Acquisition Adjustments
B. Amounts included in this account shall be classified in such manner as to show the origin of each amount and shall be disposed of as the commission may approve or direct.
Note: The provisions of this account shall not be construed as approving or authorizing the recording of appreciation of utility plant.

117. Accumulated Gains and Losses from Disposition of Utility Land and Land Rights
A. This account shall include gains and losses from disposition of utility land and land rights as determined by water plant instructions ô 563.7(e), 563.10(e) and 563.12(c).
B. Gains or losses recorded in this account in accordance with Paragraph A above shall be reduced by the related Federal income tax when realized and concurrently debited or credited, as appropriate, to account 411.8, Miscellaneous Adjustments of Income Taxes--Utility Operating Income.
C. The records supporting the entries to this account shall be so kept that the utility can furnish full particulars with respect to the amounts included herein.

118.1 Common Utility Plant
This account shall include the balances in accounts for utility plant which is used in common for water operations and other operations. (See water plant instruction, ô 563.13.)

118.2 Other Utility Plant
A. This account shall include the balances in accounts for utility plant, other than water 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, gas, 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, ô 561.13 and water plant instruction, ô 563.13.)

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, gas, 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 (except as otherwise provided in water plant instruction 8 563.12) 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, Water 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. 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 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.

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 expense 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.

* So in original. "amortited" should be "amortized".

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 of 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 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' acceptance, 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 collectible obligations in the form of notes receivable and similar evidences (except interest coupons) of money due on demand or within one year from the date of issue 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 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 service and merchandising, jobbing and contract work.

B. This account shall be maintained so as to permit ready segregation of amounts due for merchandising, jobbing and contract work.

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-offs 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 Service
- 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 small tools and unapplied materials and supplies, including fuel; plant materials and operating supplies; merchandise for sale; and
materials and supplies held primarily for nonutility purposes. 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. When 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 Expenses 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 over the stores issued.

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 adjustment, 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 150.163, 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 such associated devices as are retirement units, in stock or undergoing repairs shall not be included in this account, but in account 346, Meters.

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
(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) Operations 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.

150.154. 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 water plant instruction, § 563.3, item (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 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 stores 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 costs 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) Inventorizing 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 stores 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.

165. Prepayments
This account shall include amounts representing prepayments of insurance, rents, taxes, interest and miscellaneous items, and shall be kept or supported in such manner as to disclose the amount of each class of prepayment.

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 electric energy.

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 general instruction 561.21.

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. 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 the contemplation. If construction results, this account shall be credited and the appropriate utility plant account charged. If the work is abandoned, the charge shall be to account 426.5, Other Deductions, or to the appropriate operating expense account. (See general instructions, § 561.18.)

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 water plant shall not exceed the expenditures which may reasonably be determined to contribute directly and immediately and without duplication to water 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 general instructions, ö 561.2, (d), and ö 561.15, (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 471, 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.

188. Investment in Research and Development
A. This account shall include the cost of all expenditures coming within the meaning of Definition (24) of the Uniform System 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, 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 are incurred.
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 CREDITS
5. PROPRIETARY CAPITAL
201. Common Stock Issued
202. Common Stock Subscribed
A. These accounts shall include the par value or 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.

203. Common Stock Liability for Conversion
204. Preferred Stock Issued
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.

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 or 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 reacquisitions 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. It shall not include items includible in any of the accounts for paid-in capital.

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 561.2.
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, § 561.15.)
B. The records supporting the entries to these accounts shall be so kept that the utility can furnish complete information concerning each note and open account.

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, § 562.2.)
B. Separate accounts shall be maintained for each class of obligation, and records shall be maintained to show separately for each class all details as to date of obligation, date of maturity, interest dates and rates, security for the obligation, etc.

Note: 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 on Premium on Debt--Credit. (See general instruction 561.21.)

226. Unamortized Discount on Long-term Debt--Debit
A. This account shall include the excess of the face value of long-term 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 561.21.)

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, § 561.8.

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 accrued
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 water 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
defered 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 water plant instruction, 8
563.2, 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 credit 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
defered investment tax credits which are related to utility operations
other than water 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 water 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.

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 of 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 tax purposes according to the straight line or other nonaccelerated depreciation method 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 of 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 of 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 water utility department, the utility operates another utility department 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 1954, 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 nonliberalized 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 for 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
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 on 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 the related balances would be necessary to be retained to offset future group item tax deficiencies.

Note: If in addition to a water utility department, the utility operates another utility department 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 general instruction 561.21,
subdivision (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 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 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 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 received 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, ð 561.12.)
B. Charges shall be made to this account for losses covered by self-insurance. 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, ð 561.12.)
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 instruction, ðð 561.12 and 561.17; 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.

WATER PLANT ACCOUNTS

1. INTANGIBLE PLANT
   301. Organization
   302. Franchises and Consents
   303. Miscellaneous Intangible Plant

2. SOURCE OF SUPPLY PLANT
   310. Land and Land Rights
   311. Structures and Improvements
   312. Collecting and Impounding Reservoirs
   313. Lake, River and Other Intakes
   314. Wells and Springs
   315. Infiltration Galleries and Tunnels
   316. Supply Mains
   317. Other Water Source Plant

3. PUMPING PLANT
   320. Land and Land Rights
   321. Structures and Improvements
   322. Boiler Plant Equipment
   323. Other Power Production Equipment
   324. Steam Pumping Equipment
   325. Electric Pumping Equipment
   326. Diesel Pumping Equipment
   327. Hydraulic Pumping Equipment
   328. Other Pumping Equipment

4. WATER TREATMENT PLANT
   330. Land and Land Rights
   331. Structures and Improvements
   332. Water Treatment Equipment

5. TRANSMISSION AND DISTRIBUTION PLANT
   340. Land and Land Rights
   341. Structures and Improvements
   342. Distribution Reservoirs and Standpipes
   343. Transmission and Distribution Mains
   344. Fire Mains
   345. Services
   346. Meters
   348. Hydrants
   349. Other Transmission and Distribution Plant

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 discount 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 and 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 expenses  
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, Accumulated Provision for Amortization of Water 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 water 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 to account 111, Accumulated Provision for Amortization of Water 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. SOURCE OF SUPPLY PLANT

310. Land and Land Rights

This account shall include the cost of land and land rights used in connection with source of supply operations. (See water plant instruction ð 563.7.)

311. Structures and Improvements

This account shall include the cost in place of structures and improvements used in connection with source of water supply not includible in other accounts for source of supply plant. (See water plant instruction ð 563.8.)

312. Collecting and Impounding Reservoirs

This account shall include the cost in place of structures and improvements used for impounding, collecting and storing water in the source of supply system.

ITEMS

(1) Aerators (when installed as a integral part of collecting and impounding reservoirs).
(2) Bridges and culverts.
(3) Clearing land.
(4) Dams.
(5) Drainage conduits.
(6) Embankments.
(7) Fish ladders and elevators.
(8) Fences.
(9) Gate houses and equipment.
(10) Landscaping.
(11) Lighting systems.
(12) Retaining walls.
(13) Roads and paths.
(14) Sewers.
(15) Spillways and channels.
(16) Any other permanent improvement to collecting and impounding
313. Lake, River and Other Intakes
This account shall include the cost installed of lake, river and other intakes used as a source of water supply.

ITEMS
(1) Clearing land.
(2) Conduits.
(3) Cribs.
(4) Fences.
(5) Gate houses and equipment.
(6) Intake pipes (up to suction header).
(7) Intake wells.
(8) Lighting systems.
(9) Screens and racks.

314. Wells and Springs
This account shall include the cost installed of wells and springs used as a source of water supply.

ITEMS
(1) Clearing land.
(2) Collecting basins.
(3) Collecting pipes.
(4) Fences.
(5) Landscaping.
(6) Lighting systems.
(7) Overflow spillways and channels.
(8) Sewers.
(9) Springs and appurtenances.
(10) Wells, casings and appurtenances, including cost of test wells and non-productive wells drilled as part of a project resulting in a source of water within the same supply area.

315. Infiltration Galleries and Tunnels
This account shall include the cost installed of infiltration galleries and tunnels used as a source of water supply.

ITEMS
(1) Conduits.
(2) Gate houses and equipment.
(3) Piping.

316. Supply Mains
This account shall include the cost installed of supply mains, pipes, aqueducts and canals and their appurtenances. (See water plant instruction ø 563.14.)

ITEMS
(1) Air chambers.
(2) Blow-offs and overflows.
(3) Bridges and culverts.
(4) Canals.
(5) Electrolysis control equipment.
(6) Gauges and recorders.
(7) Jointing and jointing material.
(8) Manholes.
(9) Meters and meter houses.
(10) Municipal inspection or permits.
(11) Pavement disturbed, including cutting and replacing pavement, pavement base and sidewalks. (See ø 563.10, subd. (i).)
(12) Pipes, aqueducts or conduits.
(13) Placing mains and accessories.
(14) Pressure regulators.
(15) Protection of street openings.
(16) Shut-offs.
(17) Special castings.
(18) Sterilizing new mains.
(19) Surge tanks.
(20) Trenching, including shoring, bracing, bridging, pumping, backfill and disposal of excess excavated material.
(21) Tunnels.
(22) Valves and appurtenances.
(23) Valve vaults.

317. Other Water Source Plant
This account shall include the cost installed of other water source plant which is not properly includible in other source of supply plant accounts.

Note: Office equipment, desks, chairs, etc., shall not be included herein but in account 391, Office Furniture and Equipment.

3. PUMPING PLANT

320. Land and Land Rights
This account shall include cost of land and land rights used in connection with pumping operations. (See water plant instruction 563.7.)

321. Structures and Improvements
This account shall include cost in place of structures and improvements used in pumping operations. (See water plant instruction 563.8.)

322. Boiler Plant Equipment
This account shall include the cost installed of furnaces, boilers, coal and ash handling and coal preparing equipment, steam and feed water piping, boiler apparatus and accessories used in the production of steam to be used primarily for pumping operations.

ITEMS

1. Ash handling equipment, including hoppers, gates, cars, conveyors, hoists, sluicing equipment; including pumps and motors, sluicing water pipe and fittings, sluicing trenches and accessories, etc., except sluices which are a part of a building.
2. Boiler feed system, including feed water heaters, evaporative condensers, heater drain pumps, heater drainers, deaerators and vent condensers, boiler feed pumps, surge tanks, feed water regulators, feed water measuring equipment and all associated drives.
4. Boilers and equipment, including boilers and baffles, economizers, superheaters, soot blowers, foundations and settings, water walls, arches, grates, insulation, blow-down system, drying out of new boilers, also associated motors or other power equipment.
5. Breeching and accessories, including breeching, dampers, soot spouts, hoppers and gates, cinder eliminators, breeching insulation, soot blowers and associated motors.
6. Coal handling and storage equipment, including coal towers, coal lorries, coal cars, locomotives and tracks when devoted principally to the transportation of coal, hoppers, downtakes, unloading and hoisting equipment, skip hoists and conveyors, weighing equipment, magnetic
separators, cable ways, housings and supports for coal handling equipment.

7. Draft equipment, including air preheaters and accessories, induced and forced draft fans, air ducts, combustion control mechanisms and associated motors or other power equipment.

8. Gas burning equipment, including holders, burner equipment and piping control equipment, etc.

9. Instruments and devices, including all measuring, indicating and recording equipment for boiler plant service together with mountings and supports.

10. Lighting systems.

11. Oil burning equipment, including tanks, heaters, pumps with drive, burner equipment and piping, control equipment, etc.

12. Pulverized fuel equipment, including pulverizers, accessory motors, primary air fans, cyclones and ducts, dryers, pulverized fuel bins, pulverized fuel conveyors and equipment, burners, burner piping, priming equipment, air compressors, motors, etc.

13. Stacks, including foundations and supports, stack steel and ladders, stack brick work, stack concrete, stack lining, stack painting (first), when set on separate foundations, independent of substructure or superstructure of building.

14. Station piping, including pipe, valves, fittings, separators, traps, desuperheaters, hangers excavation, covering, etc., for station piping system, including all steam, condensate, boiler feed and water supply piping, etc.

15. Stoker or equivalent feeding equipment, including stokers and accessory motors, clinker grinders, fans and motors, etc.

16. Ventilating equipment.

17. Water purification equipment, including softeners and accessories, evaporators and accessories, heat exchangers, filters, tanks for filtered or softened water, pumps, motors, etc.

18. Water supply systems, including pumps, motors, strainers, raw water storage tanks, boiler wash pumps, intake and discharge pipes and tunnels not a part of a building.

19. Wood fuel equipment, including hoppers, fuel hogs and accessories, elevators and conveyors, bins and gates, spouts, measuring equipment and associated drives.

Note A: When the system for supplying boiler 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 account 321, Structures and Improvements.

Note B: This account shall not include boilers or steam pipes whose primary purpose is the heating of buildings.

323. Other Power Production Equipment

A. This account shall include the cost installed of any equipment used for the production of power, other than boiler plant equipment, principally for use in pumping operations.

B. Subdivisions shall be maintained hereunder for the cost of equipment used for each type of power produced, such as hydraulic works, generators, etc.

Note: Diesel engines which drive pumps directly shall not be included in this account but in account 326, Diesel Pumping Equipment.

324. Steam Pumping Equipment

This account shall include the cost installed of pumping equipment
driven by steam.

ITEMS

(1) Engines for driving pumps.
(2) Pumps, including setting, gearing, shafting, and belting.
(3) Water piping within station, including valves.
(4) Auxiliary equipment for engines and pumps such as oiling systems, cooling systems, condensers, etc.
(5) Steam lines and valves.
(6) Regulating, recording and measuring devices.
(7) Foundations, frames and bed plates.
(8) Ladders, stairs and platforms if a part of pumping unit.

325. Electric Pumping Equipment
This account shall include the cost installed of pumping equipment driven by electric power.

ITEMS

(1) Motors for driving pumps.
(2) Pumps, including setting, gearing, shafting, and belting.
(3) Water piping within station, including valves.
(4) Auxiliary equipment for motors and pumps such as oiling systems, cooling systems, condensers, etc.
(5) Electric power lines and switching.
(6) Regulating, recording and measuring devices.
(7) Foundations, frames and bed plates.
(8) Ladders, stairs and platforms if a part of pumping unit.

326. Diesel Pumping Equipment
This account shall include the cost installed of pumping equipment driven by diesel engines.

ITEMS

(1) Engines for driving pumps.
(2) Pumps, including setting, gearing, shafting and belting.
(3) Water piping within station, including valves.
(4) Auxiliary equipment for engines and pumps such as oiling systems, cooling systems, condensers, etc.
(5) Oil supply lines and accessories.
(6) Regulating, recording and measuring devices.
(7) Foundations, frames and bed plates.
(8) Ladders, stairs and platforms if a part of pumping unit.

327. Hydraulic Pumping Equipment
This account shall include the cost installed of pumping equipment driven by hydraulic power.

ITEMS

(1) Water wheels and turbines and driving pumps.
(2) Pumps, including setting, gearing, shafting and belting.
(3) Water piping within station, including valves.
(4) Auxiliary equipment for water wheels and turbines and pumps such as oiling systems, cooling systems, condensers, etc., (within walls of pumping station structure).
(5) Regulating, recording and measuring devices.
(6) Foundations, frames and bed plates.
(7) Ladders, stairs and platforms if a part of pumping unit.

328. Other Pumping Equipment
This account shall include cost of equipment used in pumping operations not properly includible in accounts 324, 325, 326 and 327, such as gas engine and gasoline engine pumping equipment. Subdivisions
shall be maintained hereunder for each type of pumping equipment.

Note: Office equipment, desks, chairs, etc. shall not be included in this account but in account 391, Office Furniture and Equipment.

4. WATER TREATMENT PLANT

330. Land and Land Rights
This account shall include the cost of land and land rights used in connection with water treatment plant operations. (See water plant instruction § 563.7.)

331. Structures and Improvements
This account shall include the cost in place of structures and improvements used in connection with the operation of the water treatment plant. (See water plant instruction § 563.8.)

332. Water Treatment Equipment
This account shall include the cost installed of apparatus, equipment and other facilities used for the treatment of water.

ITEMS

Aerators (when installed as an integral of the water treatment plant):
(1) Aircompressor.
(2) Piping system, including valves.
(3) Spray nozzles.
(4) Substructures.

Chemical Treating Plant:
(1) Agitating equipment.
(2) Ammonia machines.
(3) Carbonating equipment.
(4) Chemical manufacturing plants.
(5) Chemical pumps.
(6) Chemical handling equipment.
(7) Chlorine machines.
(8) Coke.
(9) Dry feed machines.
(10) Dry storage bins.
(11) Electrolytic cell.
(12) Elevator (when not part of building.)
(13) Fluoridation equipment.
(14) Gauges.
(15) Gravity feed or pump feed apparatus.
(16) Motors.
(17) Piping system, including valves.
(18) Rate controllers.
(19) Sludge pumps.
(20) Softening equipment.
(21) Solution feed equipment.
(22) Solution tanks.
(23) Switchboards.
(24) Weighing equipment.

Clear Water Basin:
(1) Basin.
(2) Gauges.
(3) Piping system, including valves.
(4) Substructures.

Filter Plant:
(1) Airblower and compressor.
(2) Filters.
(3) Gauges.
(4) Piping system.
(5) Rate controllers.
(6) Sand, gravel or other filtering media.
(7) Substructures.
(8) Surface work equipment.
(9) Valve control tables.
(10) Valve operating mechanism.
(11) Valves.
(12) Wash troughs.
(13) Wash water pumps.
(14) Wash water tanks.

Mixing Chambers:
(1) Piping system, including valves.
(2) Chambers.
(3) Mechanical mixers.

Sedimentation or Coagulation Basin:
(1) Basins.
(2) Coagulant storage tanks.
(3) Feeder equipment.
(4) Industrial railroad.
(5) Mechanical mixers.
(6) Orifice devices.
(7) Piping system, including valves.
(8) Screens and hoists.
(9) Sludge removal apparatus.

Softening Plant:
(1) Carbonating chambers and equipment.
(2) Clear water basins.
(3) Gauges.
(4) Gravel.
(5) Meters.
(6) Mixing tanks and chambers.
(7) Permanent chemical softening agents.
(8) Piping system, including valves.
(9) Salt solution or brine tanks and appurtenances.
(10) Salt solution pumps.
(11) Salt storage bins.
(12) Sedimentation or coagulation basins.
(13) Substructures.
(14) Underdrain systems.
(15) Wash water controllers.

Note: Protecting superstructures shall be included in account 331, Structures and Improvements.

5. TRANSMISSION AND DISTRIBUTION PLANT

340. Land and Land Rights
This account shall include the cost of land and land rights used in connection with transmission and distribution operations. (See water plant instruction ò 563.7.)

341. Structures and Improvements
This account shall include the costs in place of structures and improvements, other than reservoirs and standpipes, used in connection with transmission and distribution operations. (See water plant instruction ò 563.8.)
342. Distribution Reservoirs and Standpipes
This account shall include the cost in place of reservoirs, tanks, standpipes, and appurtenances used in storing water for distribution. (See water plant instruction ò 563.8.)

ITEMS
(1) Aerators (when installed as an integral part of distribution reservoirs).
(2) Bridges and culverts.
(3) Clearing land.
(4) Dams.
(5) Embankments.
(6) Fences
(7) Foundations.
(8) Gates and gate houses.
(9) Landscaping.
(10) Lighting systems.
(11) Piping system within reservoirs.
(12) Retaining walls.
(13) Roads and paths.
(14) Rust-proofing apparatus.
(15) Sewers.
(16) Spillways and channels.
(17) Standpipes.
(18) Superstructures.
(19) Tanks.
(20) Towers.
(21) Valves and appurtenances.
(22) Valve vaults and houses.
(23) Water level and control apparatus.

343. Transmission and Distribution Mains
A. This account shall include the cost installed of transmission and distribution mains and appurtenances. (See water plant instruction ò 563.14.)

B. Records supporting this account shall be kept as to show separately the cost of mains of different sizes and types and of each tunnel, bridge, or river crossing.

ITEMS
(1) Air chambers.
(2) Blow-offs and overflows.
(3) Bridges and culverts.
(4) Electrolysis control equipment.
(5) Gauges and recorders.
(6) Jointing and jointing material.
(7) Manholes.
(8) Meters and appurtenances.
(9) Municipal inspection or permits.
(10) Pavement disturbed, including cutting and replacing pavement, pavement base and sidewalks. (See ò 563.10 subd. (i).)
(11) Pipes.
(12) Placing mains and accessories.
(13) Pressure regulators.
(14) Protection of street openings.
(15) Shut-offs.
(16) Special castings.
(17) Sterilizing new mains.
(18) Surge tanks.
(19) Trenching, including shoring, bracing, bridging, pumping, backfill and disposal of excess excavated material.
(20) Tunnels.
(21) Valves and appurtenances.
(22) Valve vaults.

Note: When transmission and distribution 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.

344. Fire Mains
This account shall include the cost installed of mains and appurtenances used exclusively for fire protection purposes. For items includible in this account see account 343. (See water plant instruction ã 563.14.)

Note: When fire 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.

345. Services
A. This account shall include the cost installed of service pipes and accessories leading to the customers' premises.
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) Corporation stops or tees.
(2) Gate valves and boxes.
(3) Goose necks.
(4) Jointing and jointing material.
(5) Municipal inspection or permits.
(6) Pavement disturbed, including cutting and replacing pavement, pavement base and sidewalks. (See ã 563.10 subd. (i).)
(7) Pipes.
(8) Placing pipes and accessories.
(9) Protection of street openings.
(10) Service or curb boxes.
(11) Service or curb stops.
(12) Tapping main.
Note: When services are raised or lowered or other change in their location is made, the cost of the work shall be charged to account 675, Maintenance of Services.

346. Meters
A. This account shall include the cost of meters, devices and appurtenances attached thereto, for use in measuring the water delivered to users, whether actually in service or held in reserve; this account shall also include the cost of labor employed, materials used, and expenses incurred in connection with the first installation of meters, devices and appurtenances attached thereto.

B. When a meter is permanently retired from service, the amount at which it is included herein and the cost of its installation included herein shall be credited to this account and concurrently charged to the appropriate related accumulated provision for depreciation.

ITEMS
(1) Meters, including badging and initial testing.
(2) Meter coupling.
(3) Installation, labor of (first installation only).
(4) Meter bars.
(5) Meter yokes.
(6) Meter fittings, connections and shelves.
(7) Meter vaults and boxes.
(8) Stops.

Note A: This account shall not include meters for recording the output of a supply or treatment plant, or those located on mains. It includes only those meters to record water delivered to customers, including company use and for those used elsewhere in the system if a type available for general use.

Note B: The cost of removing and resetting meters shall be charged to account 663, Meter Expenses, to which account shall be credited the salvage recovered from minor items when a meter is removed from service but not permanently retired.

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 company-owned meters in service (subdivided between active and inactive) and the number of meters carried herein but not in service, the latter to include meters undergoing repairs; and the number of meters in service owned by customers.

Note D: 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 E: Charges made to customers for connection, disconnection or reconnection of meters shall be credited to account 471, Miscellaneous Service Revenues.

348. Hydrants
A. This account shall include the cost installed of hydrants in service owned by the utility.

B. Records shall be kept so as to show number, size (nominal diameter of bottom connection), number and size of hose connections, diameter of main to which attached and type of hydrants classified as to public use.
and private use.

ITEMS

(1) Connection to main.
(2) Excavation, backfill, and disposal of excess excavated material.
(3) Hydrants and fittings, including barrel and shoe.
(4) Manholes.
(5) Pavement disturbed, including cutting and replacing pavement, pavement base and sidewalks. (See § 563.10 subd. (i).)
(6) Pipe including leads and drains.
(7) Tee at main.
(8) Valves and valve boxes.

349. Other Transmission and Distribution Plant
This account shall include the cost installed of all other transmission and distribution system plant not provided for in the foregoing accounts.

ITEMS

(1) Cisterns or basins.
(2) Connections to main.
(3) Excavation, backfill, and disposal of excess excavated material.
(4) Fountains, basins, troughs, pools, etc.
(5) Pavement disturbed, cutting and replacing pavement, pavement base and sidewalks. (See § 563.10 subd. (i).)
(6) Piping.
(7) Valves and valve boxes.

Note: Office equipment, desks, chairs, etc. shall not be included in this account but in account 391, Office Furniture and Equipment.

6. GENERAL PLANT

389. Land and Land Rights
This account shall include the cost of land and land rights used for water plant purposes, the cost of which is not properly includible in other land and land rights accounts. (See water plant instruction § 563.7)

390. Structures and Improvements
This account shall include the cost in place of structures and improvements used for water plant purposes, the cost of which is not properly includible in other structures and improvements accounts. (See water plant instruction § 563.8.)

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 water 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 water plant instruction § 563.3, subd. (a)(3).)

B. If the utility has equipment includible in this account at more than one location, separate records shall be maintained for each location.

ITEMS

(1) Book cases and shelves.
(2) Desks, chairs, and desk equipment.
(3) Drafting room equipment.
(4) 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) Signs, display and advertising.
(11) Tables.

392. Transportation Equipment
This account shall include the cost of transportation vehicles used for utility purposes.

ITEMS

(1) Airplanes*.
* So in original. "Airplains" should be "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 water plant instruction ð 563.3(a)(3).)
B. If the utility has equipment includible in this account at more than one location, separate records shall be maintained for each location.

ITEMS

(1) Chain falls.
(2) Counters.
(3) Cranes (portable).
(4) Elevating and stacking equipment (portable).
(5) Hoists.
(6) Lockers.
(7) Scales.
(8) Shelving.
(9) Storage bins.
(10) Trucks, hand and power driven.
(11) Wheelbarrows.

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 water plant instruction ð 563.3 (a)(3).)
B. If the utility has equipment includible in this account at more than one location, separate records shall be maintained for each location.

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) Drill presses.
(10) Derricks.
(11) Electric equipment.
(12) Engines.
(13) Forges.
(14) Furnaces.
(15) Foundations and setting specially constructed for and not expected to outlast the equipment of which provided.
(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 specifically provided for or includible in other departmental or functional plant accounts. (See note to water plant instruction 656.3(a) (3).)

B. If the utility has equipment includible in this account at more than one location, separate records shall be maintained for each location.

ITEMS

(1) Autoclaves.
(2) Barometers.
(3) Cameras.
(4) Centrifuge.
(5) Distilling apparatus.
(6) Furnaces.
(7) Microscopes.
(8) Ovens.
(9) Pitometers.
(10) Rain gauges.
(11) Refrigerators.
(12) Scales.
(13) Sterilizers.
(14) Stop watches.
(15) Testing machines.
(16) Thermometers.
(17) Voltmeters.
(18) Other bacteriological, electric, chemical, hydraulic or research equipment.

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.

* So in original. "filing" should be "filling".
(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) Trenches.
(13) Other power operated equipment.

Note: It is intended that this account only include 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 connections* with the utility's water operations.

* So in original. "connections" should be "connection".

ITEMS

(1) Antennae.
(2) Booths.
(3) Cables.
(4) Distribution boards.
(5) Extension cords.
(6) Gongs.
(7) Handsets, manual and dial.
(8) Insulators.
(9) Intercommunicating sets.
(10) Loading coils.
(11) Operators* desks.
* So in original. Apsotrophe inadvertently omitted.
(12) Poles and fixtures used wholly for telephone and telegraph wires.
(13) Radio transmitting and receiving sets.
(14) Remote control equipment and lines.
(15) Sending keys.
(16) Storage batteries.
(17) Switchboards.
(18) Telautograph circuit connections.
(19) Telegraph receiving sets.
(20) Telephone and telegraph circuits.
(21) Testing instruments.
(22) Towers.
(23) Underground conduit used wholly for telephone or telegraph wires
and cable wires.

398. Miscellaneous Equipment
This account shall include the cost of equipment, apparatus, etc.,
used and useful in water operations, which is not includible in any
other account. (See note to water plant instruction 563.3(a) (3).)

ITEMS
(1) Hospital and infirmary equipment.
(2) Kitchen equipment.
(3) Recreation equipment.
(4) Radios.
(5) Restaurant equipment.
(6) Soda fountains.
(7) Operator's cottage furnishings.
(8) Other miscellaneous equipment.

399. Other Tangible Property
A. This account shall include the cost of tangible water 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 ACCOUNTS
1. UTILITY OPERATING INCOME

400. Operating Revenues
Operating Expenses
401. Operation Expense
402. Maintenance Expense
403. Depreciation Expense
404. Amortization of Limited-term Water Plant
405. Amortization of Other Water Plant
406. Amortization of Water Plant Acquisition Adjustments
407. Amortization of Property Losses
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 Income
411.1 Provision for Deferred Income Taxes--Credit, Utility Operating Income
Income
411.4 Investment Tax Credit Adjustments, Utility Operations
411.8 Miscellaneous Adjustments of Income Taxes, Utility Operating Income

Total Operating Expenses
Net Operating Revenues
412. Revenues from Water Plant Leased to Others
413. Expenses of Water Plant Leased to Others
Income from Water Plant Leased to Others
Total Water Operating Income
414. Other Utility Operating Income
Total Utility Operating Income

2. OTHER INCOME AND DEDUCTIONS

A. Other Income

415. Revenues from Merchandising, Jobbing and Contract Work
416. Costs and Expenses of Merchandising, Jobbing and Contract Work
417. Revenue from Nonutility Operations
417.1 Expenses of Nonutility Operations
418. Nonoperating Rental Income
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

B. Other Income Deductions

421.2 Loss on Disposition of Property
425. Miscellaneous Amortization
426. Miscellaneous Income Deductions
Total Other Income Deductions

C. 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 Credit
Total Taxes on Other Income and Deductions
Net Other Income and Deductions

3. 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 Extraordinary Items

4. 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 water operating revenue accounts provided herein.

401. Operation Expense
There shall be shown under this caption the total amount included in
the water operation expense accounts provided herein.

402. Maintenance Expense
There shall be shown under this caption the total amount included in
the water maintenance expense accounts provided herein.

403. Depreciation Expense
A. This account shall include the amount of depreciation expense for
all classes of depreciable water plant in service and on the portion of
depreciable common utility plant in service applicable to water
operations, except such depreciation expense as is chargeable to account
416, 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, Water Plant Leased to Others, shall be charged to account
413, Expenses of Water Plant Leased to Others.

Note B: Depreciation expense applicable to transportation equipment,
shop equipment, tools, work equipment and 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. Amortization of Limited-term Water Plant
This account shall include amortization charges applicable to amounts
included in the water 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, Accumulated Provision for Amortization of Water Plant in
Service.)

405. Amortization of Other Water Plant
A. When authorized by the commission, this account shall include
charges for amortization of intangible or other utility 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 Water Plant Acquisition Adjustments
This account shall be debited or credited, as the case may be, with
amounts includable 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, Water Plant Acquisition Adjustments, and
in the appropriate subdivision of account 118.1, Common Utility Plant.
(See balance sheet account 114, Water Plant Acquisition Adjustments, paragraph C.)

407. 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 water operating expenses.

Special Instructions
Accounts 408.1 and 408.2

A. These accounts shall include the amounts of ad valorem, gross revenue and 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 a number of utility services, taxes 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 non utility 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 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), Water Plant Leased
to Others and Other Utility Operating Income.

408.2 Taxes Other Than Income Taxes, Other Income and Deductions
This account shall include taxes other than income taxes which relate
to Other Income and Deductions.

Special Instructions
Accounts 409.1, 409.2 and 409.3
A. These accounts shall include the amounts of Federal income taxes on
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 561.8 for prior period adjustments.)
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 that account.
The tax effects 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--Water and account
107, Construction Work in Progress--Water) 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 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 department), Water
Plant Leased to Others and Other Utility Operating Income.

409.2 Income Taxes, Other Income and Deductions
This account shall include the amount of 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 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 Provision 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 Nonutility Operations.

411.8 Miscellaneous Adjustments of Income Taxes--Utility Operating Income

A. This account shall be debited or credited, as appropriate, with an amount equal to that by which taxes payable on utility operating income for the year are either reduced or increased because of the inclusion of a loss or gain in account 117, Accumulated Gains and Losses from Disposition of Utility Land and Land Rights, in the computation of Federal income tax for the current year.

B. This account shall include adjustments of prior years Federal income tax related to utility operations. (See § 561.8.) This account shall also be used for other tax adjustments which the commission may authorize or direct to be recorded herein.

412. Revenues from Water Plant Leased to Others

413. Expenses of Water Plant Leased to Others

A. These accounts shall include respectively, revenues from water property constituting a distinct operating unit or system leased by the utility to others, and which property is properly includible in account 104, Water Plant Leased to Others, and the expenses attributable 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: 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.

2. OTHER INCOME AND DEDUCTIONS
A. 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 expenses 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) Charges for installing meters owned by customers.
(2) Charges for tapping mains and installing services when not includible in account 345, Services.
(3) Revenues from sales of meters to customers or others for installation of* customers' premises.
* So in original. "of" should be "on".
(4) Revenues from sale of water appliances and from piping and other jobbing or contract work.
(5) 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:
(13) Advertising in newspapers, periodicals, radio, television, etc.
(14) Cost of merchandise sold and of materials used in jobbing work.
(15) Stores expenses on merchandise and jobbing stock.
(16) Fees and expenses of advertising and commercial artists' agencies.
(17) Printing booklets, dodgers, and other advertising data.
(18) Premiums given as inducement to buy appliances.
(19) Light, heat, and power.
(20) Depreciation of equipment used primarily for merchandise and jobbing operations.
(21) Rent of sales rooms or of equipment.
(22) Transportation expense in delivery and pick-up of appliances by utility's facilities or by others.
(23) Stationery and office supplies and expenses.
(24) 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 a servicing organization for furnishing supervision, management, engineering, and similar services 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:

<table>
<thead>
<tr>
<th>Operation</th>
<th>Maintenance</th>
<th>Rents</th>
<th>Depreciation</th>
<th>Amortization</th>
</tr>
</thead>
</table>

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 the property and the accounts shall be maintained so as to permit ready summarization as follows:

<table>
<thead>
<tr>
<th>Operation</th>
<th>Maintenance</th>
<th>Depreciation</th>
<th>Rents</th>
<th>Amortization</th>
</tr>
</thead>
</table>

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.

419. Interest and Dividend Income

A. This account shall include interest revenues on securities, loans, notes, advances, special deposits, tax refunds and all other interest-bearing 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, all 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 Water Plant Instruction 563.3 (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.

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(1) Fees collected in connection with the exchange of coupon bonds for registered bonds.

(2) Gain on disposition of investments and reacquisition and resale or retirement of utility's debt securities and investments.

(3) Profit on sale of timber or other natural resources. (See water plant instruction ß 563.7(c).)

(4) 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, Water Plant Held for Future Use will be accounted for as prescribed in paragraphs B, C, and D thereof. (See water plant instructions 563.5 subd. (f), 563.7 subd. (e) and 563.10 subd. (e).) Income taxes on gains recorded in this account shall be recorded in account 409.2, Income Taxes, Other Income and Deductions.

B. Other Income Deductions

421.2 Loss on Disposition of Property
This account shall be charged with 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, Water Plant Held for Future Use, will be accounted for as prescribed in paragraphs B, C, and D thereof. (See water plant instructions 563.5 subd. (f), 563.7 subd. (e) and 563.10 subd. (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, Water 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 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, 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.

3. 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 the 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.

4. EXTRAORDINARY ITEMS

434. Extraordinary Income
This account shall be credited with nontypical, noncustomary, 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 561.7.)

435. Extraordinary Deductions
This account shall be debited with nontypical, noncustomary, 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 561.7.)

RETAINED EARNINGS ACCOUNTS

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 564.1.)

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 (a) can be specifically identified with and related to the business activities of particular prior periods, and (b) are not attributable to economic events occurring subsequent to the date of the financial statements for the prior period, and (c) depend primarily on determinations by persons other than the management, and (d) 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 retirement 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 settlement 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 expenses.

OPERATING REVENUE ACCOUNTS

1. SALES OF WATER
460. Unmetered Sales to General Customers
461. Metered Sales to General Customers
462. Private Fire Protection Service
463. Public Fire Protection Service
464. Other Sales to Public Authorities
465. Sales to Irrigation Customers
466. Sales for Resale
467. Interdepartmental Sales

2. OTHER OPERATING REVENUES
470. Forfeited Discounts
471. Miscellaneous Service Revenues
472. Rents from Water Property
473. Interdepartmental Rents
474. Other Water Revenues

1. SALES OF WATER
460. Unmetered Sales to General Customers
A. This account shall include the net billing for water supplied for residential, commercial and industrial (except irrigation) purposes where the charge is not dependent in any way on the quantity of water delivered but is based on diameter of service pipe or per fixture, room, foot of frontage, or other similar unit.
B. Records shall be maintained so that the estimated quantity of water
sold and the amount of revenue under each rate schedule shall be readily available.

C. This account may be subdivided as follows:
   460.1 Unmetered Sales to Residential Customers
   460.2 Unmetered Sales to Commercial Customers
   460.3 Unmetered Sales to Industrial Customers
   461. Metered Sales to General Customers
   A. This account shall include the net billing for measured water supplied for residential, commercial or industrial purposes where the total charge is, or may be, in any way dependent on the quantity of water delivered.
   B. Records shall be maintained so that the quantity of water sold and the amount of revenue under each rate schedule shall be readily available.
   C. This account may be subdivided as follows:
      461.1 Metered Sales to Residential Customers
      461.2 Metered Sales to Commercial Customers
      461.3 Metered Sales to Industrial Customers

Note: This account includes all revenues under service classifications which consist of a rate for a specified diameter of service pipe, or per meter, fixture, room, foot of frontage, or other similar unit, plus an additional charge or an adjustment dependent upon the quantity of water delivered.

462. Private Fire Protection Service
   A. This account shall include the net billing for the use of fire protection apparatus and for water delivered in connection therewith, for the protection from fire of specific facilities either privately or publicly owned, which are billed under distinct fire protection rate schedules.
   B. Records shall be readily available to show the amount of revenue under each rate schedule.

463. Public Fire Protection Service
   A. This account shall include the net billing to municipalities and other public authorities for the use of mains, hydrants, or other fire protection facilities and for water delivered in connection therewith for the purpose of fire protection to the general public.
   B. When the charges for fire protection include the use of water for street sprinkling, sewer flushing, or other similar purposes the total revenue may be included in this account.

Note: The records supporting the entries to this account shall be kept so as to show separately for each political subdivision the number, size (i.e., size of hydrant valve opening), and type of hydrants and the diameter of the main to which they are connected, the rate per hydrant or other fire protection charge, and the total revenue.

464. Other Sales to Public Authorities
   A. This account shall include the net billing for water supplied to municipalities, or other subdivisions or agencies of State or Federal governments, under special contracts or agreements or service classifications applicable only to public authorities.
   B. Records shall be maintained so that the quantity (estimated if not metered) of water sold and the amount of revenue under each contract, agreement or rate schedule shall be readily available.

Note: Do not include herein revenues from water supplied for fire protection or for resale (see accounts 463 and 466) or from sales billed
under general service classifications.

465. Sales to Irrigation Customers
A. This account shall include the net billing for water supplied for commercial irrigation purposes, under distinct irrigation rates, billed under either metered or flat rate tariff schedules.
B. Records shall be maintained so that the quantity (estimated if not metered) of water sold and the amount of revenue under each rate schedule shall be readily available.
C. This account shall be subdivided as follows:
   465.1 Metered Sales to Irrigation Customers
   465.2 Flat Rate Sales to Irrigation Customers
466. Sales for Resale
A. This account shall include the net billing for water supplied (including stand-by service) to other water utilities or to public authorities for resale purposes.
B. Records supporting the entries to this account shall show separately for each contract or rate schedule the point of delivery, the quantity of water supplied (estimated if not metered) the basis for the charge, and the total charge to the distributor.

Note: Where the contract is reciprocal, i.e., where either party thereto may take water from the other, the total amount receivable for water supplied to the other party shall be included herein and the total amount payable for water received from the other party shall be charged to account 602, Purchased Water.

467. Interdepartmental Sales
A. This account shall include amounts charged by the water department at tariff or other specified rates for water supplied by it to other utility departments. (See operating revenue instruction 0 566.3 and account 473, Interdepartmental Rents.)
B. Records shall be maintained so that the quantity of water supplied each other department and the charges therefor shall be readily available.

2. OTHER OPERATING REVENUES

470. Forfeited Discounts
This account shall include the amounts which the utility allows its customers on condition that they pay their water bills on or before a specified date and which are forfeited by the customers because of failure to pay within the specified time.

471. Miscellaneous Service Revenues
This account shall include revenues for all miscellaneous services and charges billed to customers which are not specifically provided for in other accounts.

ITEMS
(1) Fees for changing, or reconnecting service.
(2) Profit on maintenance of appliances, piping or other installations on customers' premises.
(3) Net credit or debit (cost less net salvage and less payment from customers) on closing of work order for plant installed for temporary service of less than one year. (See account 185, Temporary Facilities.)
(4) Recovery of expenses in connection with unauthorized taking of water (billing for the water used shall be included in the appropriate water revenue account.)

472. Rents from Water Property
A. This account shall include rents received for the use by others of
land, buildings and other property devoted to water operations by the utility.

B. When property owned by the utility is operated jointly with others under a definite arrangement for apportioning the actual expenses among the parties to the arrangement, any amounts received by the utility for interest or return or in reimbursement of taxes or depreciation on the property shall be credited to this account.

Note: Do not include in this account rents from property constituting an operating unit or system. (See account 412, Revenues from Water Plant Leased to Others, and income account instruction ñ 565.3.)

473. Interdepartmental Rents
This account shall include rents credited to the water department on account of rental charges made against other departments (gas, electric, etc. of the utility). In the case of property operated under a definite arrangement to allocate the cost among the departments using the property, any reimbursement to the water department for interest or return and depreciation and taxes shall be credited to this account.

Note: Charges for water supplied other utility departments shall not be included in this account, but in account 467, Interdepartmental Sales. (See operating revenue instruction ñ 566.3.)

474. Other Water Revenues
This account shall include revenues derived from water operations not includible in any of the foregoing accounts.

ITEMS

(1) Commissions on sales or distribution of water of others when sold under rates filed by such others.

(2) Compensation for minor or incidental services provided for others such as customer billing, engineering, etc.

(3) Profit or loss on sale of material and supplies not ordinarily purchased for resale and not handled through merchandising and jobbing accounts.

(4) Sale of steam, but not including sales made by a steam-heating department or transfers of steam under joint facility operations.

OPERATION AND MAINTENANCE
EXPENSE ACCOUNTS

1. SOURCE OF SUPPLY EXPENSES

Operation
600. Operation Supervising and Engineering
601. Operation Labor and Expenses
602. Purchased Water
603. Miscellaneous Expenses
604. Rents

Maintenance
610. Maintenance Supervision and Engineering
611. Maintenance of Structures and Improvements
612. Maintenance of Collecting and Impounding Reservoirs
613. Maintenance of Lake, River and Other Intakes
614. Maintenance of Wells and Springs
615. Maintenance of Infiltration Galleries and Tunnels
616. Maintenance of Supply Mains
617. Maintenance of Miscellaneous Water Source Plant

2. PUMPING EXPENSES

Operation
620. Operation Supervision and Engineering
621. Fuel for Power Production
622. Power Production Labor and Expenses
623. Fuel or Power Purchased for Pumping
624. Pumping Labor and Expenses
625. Expenses Transferred--Credit
626. Miscellaneous Expenses
627. Rents

Maintenance
630. Maintenance Supervision and Engineering
631. Maintenance of Structures and Improvements
632. Maintenance of Power Production Equipment
633. Maintenance of Pumping Equipment

3. WATER TREATMENT EXPENSES

Operation
640. Operation Supervision and Engineering
641. Chemicals
642. Operation Labor and Expenses
643. Miscellaneous Expenses
644. Rents

Maintenance
650. Maintenance Supervision and Engineering
651. Maintenance of Structures and Improvements
652. Maintenance of Water Treatment Equipment

4. TRANSMISSION AND DISTRIBUTION EXPENSES

Operation
660. Operation Supervision and Engineering
661. Storage Facilities Expenses
662. Transmission and Distribution Lines Expenses
663. Meter Expenses
664. Customer Installation Expenses
665. Miscellaneous Expenses
666. Rents

Maintenance
670. Maintenance Supervision and Engineering
671. Maintenance of Structures and Improvements
672. Maintenance of Distribution Reservoirs and Standpipes
673. Maintenance of Transmission and Distribution Mains
674. Maintenance of Fire Mains
675. Maintenance of Services
676. Maintenance of Meters
677. Maintenance of Hydrants
678. Maintenance of Miscellaneous Plant

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

6. SALES EXPENSES

Operation
910. Sales Expenses

7. ADMINISTRATIVE AND GENERAL EXPENSES

Operation
920. Administrative and General Salaries
921. Office Supplies and Other Expenses
922. Administrative Expenses Transferred--Credit
923. Outside Services Employed
924. Property Insurance
925. Injuries and Damages
926. Employees Pensions and Benefits
927. Franchise Requirements
928. Regulatory Commission Expenses
929. Duplicate Charges--Credit
930. Miscellaneous General Expenses
931.1 General Rents
931.2 Expenses of Data Processing Equipment

Maintenance
932. Maintenance of General Plant

OPERATION AND MAINTENANCE
EXPENSE ACCOUNTS

1. SOURCE OF SUPPLY EXPENSES

Operation
600. 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 water source
of supply facilities. Direct supervision of specific activities shall be
charged to the appropriate account. (See operating expense instruction ð
567.1.)

601. Operation Labor and Expenses
This account shall include the cost of labor, materials used and
expenses incurred in the operation of the source of supply plant.

ITEMS

Labor:
(1) Cutting brush and weeds.
(2) Electrolysis and soil corrosion investigations.
(3) Keeping plant log and records and preparing reports of operation.
(4) Operating and lubricating gates and valves.
(5) Patrolling and inspecting.
(6) Removing organic growth.
(7) Removing sediment.

Materials and Expenses:
(8) Attendants' supplies.
(9) Charts and gauge supplies.
(10) Lubricants and waste.
(11) Tools.
(12) Transportation, meals and incidental expenses.

602. Purchased Water
A. This account shall include the cost at the point of delivery of
water purchased for resale. This includes charges for readiness to serve
and the portion applicable to each accounting period of annual or more
frequent payments for the right to divert water at the source of supply.
B. The records supporting this account shall be so kept as to show
each supplier from which water is purchased, point of delivery, quantity
purchased, basis of charges and the cost of water purchased. (See note
to account 466, Sales for Resale.)

603. Miscellaneous Expenses
This account shall include the cost of labor, materials used and
expenses incurred which are not specifically provided for or are not readily assignable to other water source of supply expense accounts.

ITEMS

Labor:
(1) General clerical and stenographic work at source of supply offices.
(2) Preparing maps.
(3) Building service.
(4) Care of grounds including snow removal, cutting grass, etc.

Materials and Expenses:
(5) Building service supplies.
(6) First aid supplies and safety equipment.
(7) Map record supplies.
(8) Miscellaneous office supplies and expenses, printing and stationery.
(9) Utility service.
(10) Cost of nonproductive wells (or amortization thereof) drilled as part of a project which did not result in a source of water within the same supply area. (See account 183, Preliminary Survey and Investigation Charges.)
(11) Research and development expenses.

604. Rents
This account shall include all rents of property of others used, occupied, or operated in connection with the source of supply system. (See operating expense instruction ø 567.3.)

Maintenance

610. Maintenance Supervision and Engineering
This account shall include the cost of labor and expenses incurred in the general supervision and direction of the maintenance of water source of supply facilities. Direct supervision of specific jobs shall be charged to the appropriate maintenance account. (See operating expense instruction ø 567.1.)

611. Maintenance of Structures and Improvements
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 account 311, Structures and Improvements and of similar property leased from others. (See operating expense instruction ø 567.2.)

612. Maintenance of Collecting and Impounding Reservoirs
This account shall include the cost of labor, materials used and expenses incurred in the maintenance of collecting and impounding reservoirs, the book cost of which is includible in account 312, Collecting and Impounding Reservoirs, and of similar property leased from others. (See operating expense instructions ø 567.2.)

613. Maintenance of Lake, River and Other Intakes
This account shall include the cost of labor, materials used and expenses incurred in the maintenance of lake, river and other intakes, the book cost of which is includible in account 313, Lake, River and Other Intake, and of similar property leased from others. (See operating expense instruction ø 567.2.)

614. Maintenance of Wells and Springs
This account shall include the cost of labor, materials used and expenses incurred in the maintenance of wells and springs, the book cost of which is includible in account 314, Wells and Springs, and of similar
property leased from others. (See operating expense instruction ò 567.2.)

615. Maintenance of Infiltration Galleries and Tunnels
   This account shall include the cost of labor, materials used and expenses incurred in the maintenance of infiltration galleries and tunnels, the book cost of which is includible in account 315, Infiltration Galleries and Tunnels, and of similar property leased from others. (See operating instruction ò 567.2.)

616. Maintenance of Supply Mains
   This account shall include the cost of labor, materials used and expenses incurred in the maintenance of mains and appurtenances, the book cost of which is includible in account 316, Supply Mains, and of similar property leased from others. (See operating expense instruction ò 567.2.)

617. Maintenance of Miscellaneous Water Source Plant
   This account shall include the cost of labor, materials used and expenses incurred in the maintenance of other water source plant, the book cost of which is includible in account 317, Other Water Source Plant, and any general or other plant the maintenance of which is assignable to the source of supply function and is not provided for elsewhere. (See operating expense instruction ò 567.2.)

2. PUMPING EXPENSES

   Operation

620. 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 power production and pumping. Direct supervision of specific activities such as fuel handling, power production, etc., shall be charged to the appropriate account. (See operating expense instruction ò 567.1.)

621. Fuel for Power Production
   A. This account shall include the cost of fuel used in the production of power to operate pumps. Records shall be maintained to show the quantity and cost of each type of fuel used.
   B. The cost of fuel shall be charged initially to appropriate fuel accounts carried under account 150.151, Fuel Stock, and cleared to this account on the basis of the fuel used. Fuel handling expenses may be charged to this account as incurred or charged initially to account 150.152, Fuel Stock Expenses Undistributed. In the latter event they shall be cleared to this account on the basis of the fuel used.
   C. The net cost of disposal of residuals (disposal expenses less proceeds from any sales) shall be included herein.
      Note: See account 150.151, Fuel Stock, and 150.152, Fuel Stock Expenses Undistributed for items of fuel cost and fuel handling expenses.

622. Power Production Labor and Expenses
   This account shall include the cost of labor, materials used, and expenses incurred in the production of power used to operate pumps. This includes all expenses in preparing and handling of fuel incurred beyond the point where the fuel enters the first boiler plant bunker, hopper, tank or holder, etc. and all expense involved in handling and disposal of fuel residuals within the plant.

ITEM

Labor:
(1) Direct supervision of power production.
(2) Operating fuel conveying, storage, weighing, measuring and processing equipment within power production plant.

(3) Operating boiler and boiler auxiliary equipment.

(4) Operating boiler feed water purification and treatment equipment.

(5) Operating ash collecting or other residual and disposal equipment located inside the plant.

(6) Operating other power production equipment.

(7) Keeping power production log* and records and preparing reports on power production operation.* So in original. "long" should be "log".

(8) Testing boiler water.

(9) Testing, checking, and adjusting meters, gauges and other instruments and equipment in power production plant.

(10) Cleaning power production plant equipment when not incidental to maintenance work.

Materials and Expenses (other than fuel):

(11) Boiler compounds, chemicals and, inspection fees.

(12) Boiler feed water.

(13) Lubricants.

Note: When water used for power production is taken from the supply for general distribution, the cost of the water so used may, at the option of the company, be charged to this account and credited to account 929, Duplicate Charges--Credit.

623. Fuel or Power Purchased for Pumping

A. This account shall include the cost of fuel or power purchased used directly in operation of pumps.

B. This account shall also include the cost of power transferred to water pumping operations from other departments under joint facility arrangements.

C. The cost of fuel shall be charged initially to appropriate fuel accounts carried under account 150.151, Fuel Stock, and cleared to this account on the basis of the fuel used.

ITEMS

(1) Diesel fuel.
(2) Electric power.
(3) Gasoline.
(4) Gas.
(5) Other fuel or power.
(6) Steam.

624. Pumping Labor and Expenses

This account shall include the cost of labor, materials used and expenses incurred in operating pumps and auxiliary equipment.

ITEMS

Labor:

(1) Direct supervision of pumping operations.
(2) Operating pumps, turbines, and engines.
(3) Operating condensers, circulating water systems and other auxiliary apparatus.
(4) Operating lubrication and oil control systems, including oil purification.
(5) Operating control and protective equipment.
(6) Operating valves to point where water enters the water treatment or transmission and distribution system.
(7) Keeping plant log and records and preparing reports of operation.
(8) Testing, checking and adjusting meters, gauges, and other instruments, controls, etc., in the pumping plant.
(9) Cleaning pumping equipment when not incidental to maintenance work.

Materials and Expenses (other than power purchased):
(10) Lubricants, waste, gaskets, etc.
(11) Transportation, meals and incidental expenses.

625. Expenses Transferred--Credit
A. This account shall include credits for expenses of power production or pumping which are charged to others* to other departments under a joint operating arrangement. Include also credits for expenses chargeable to other water accounts outside the pumping group. Full details of the basis of determination of the costs transferred shall be maintained.
* So in original.
B. If the charge to others or to other departments of the utility include an amount for depreciation, taxes and return on the joint facilities, such portion of the charge shall be credited, in the case of others, to account 472, Rents from Water Property, and in the case of other departments of the utility, to account 473, Interdepartmental Rents.

626. Miscellaneous Expenses
This account shall include the cost of labor, materials used and expenses incurred which are not specifically provided for or are not readily assignable to other pumping expense accounts.

ITEMS

Labor:
(1) General clerical and stenographic work.
(2) Guarding and patrolling plant and yard.
(3) Building service.
(4) Care of grounds including snow removal, cutting grass, etc.
(5) Miscellaneous labor.

Materials and Expenses:
(6) General operating supplies, such as tools, gaskets, packing waste, gauge glasses, hose, indicating lamps, record and report forms, etc.
(7) First aid supplies and safety equipment.
(8) Building service supplies.
(9) Utility service.
(10) Miscellaneous office supplies and expenses, printing and stationery.
(11) Transportation, meals, and incidental expenses.
(12) Research and development expenses.

627. Rents
This account shall include all rents of property of others used, occupied or operated in connection with the pumping of water. (See operating expense instruction 567.3.)

630. Maintenance of Supervision and Engineering
This account shall include the cost of labor and expenses incurred in the general supervision and direction of the maintenance of power production and pumping plant. Direct supervision of specific maintenance work shall be charged to the appropriate maintenance account. (See operating expense instruction 567.1.)

631. Maintenance of Structures and Improvements
This account shall include the cost of labor, materials used and expenses incurred in the maintenance of structures and improvements used in connection with pumping, the book cost of which is includible in account 321, Structures and Improvements, and of similar property leased from others. (See operating expense instruction ñ 567.2.)

632. Maintenance of Power Production Equipment
A. This account shall include the cost of labor, materials used and expenses incurred in the maintenance of power production equipment used directly in pumping operations, the book cost of which is includible in accounts 322, Boiler Plant Equipment, and 323, Other Power Production Equipment, and of similar equipment leased from others.
B. For the purpose of making charges hereto and to account 633, Maintenance of Pumping Equipment, the point at which power production plant is distinguished from pumping equipment is defined as follows:
   (1) Inlet flange of throttle valve on prime mover.
   (2) Flange of all steam extraction lines on prime mover.
   (3) Hotwell pump outlet on condensate lines.
   (4) Inlet flange of all turbine room auxiliaries.
   (5) Connection to line side of motor starter for all boiler plant equipment.
   (6) Connection of electric power transmission lines to pump equipment controls.

633. Maintenance of Pumping Equipment
This account shall include the cost of labor, materials used and expenses incurred in the maintenance of pumping equipment, the book cost of which is includible in account 324, Steam Pumping Equipment, 325, Electric Pumping Equipment, 326, Diesel Pumping Equipment, 327, Hydraulic Pumping Equipment, and 328, Other Pumping Equipment and, of similar equipment leased from others, and any general or other plant the maintenance of which is assignable to the pumping function and is not provided for elsewhere. (See paragraph B of account 632, Maintenance of Power Production Equipment.)

3. WATER TREATMENT EXPENSES
Operation

640. 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 water treatment facilities. Direct supervision of specific activities shall be charged to the appropriate account. (See operating expense instruction ñ 567.1.)

641. Chemicals
This account shall include the cost of all chemicals used in the treatment of water. Include also the entire cost of any chemicals manufactured by the utility.

ITEMS
(1) Activated carbon.
(2) Ammonia.
(3) Caustic soda.
(4) Chlorine.
(5) Copper Sulphate.
(6) Fluorine compounds.
(7) High test hypochlorite.
(8) Iron sulphate.
(9) Lime.
(10) Soda ash
(11) Sodium chlorite.
(12) Sulphate of alumina.
(13) Sulphuric acid.
(14) Other chemicals.

642. Operation Labor and Expenses
A. This account shall include the cost of labor, materials used and expenses incurred in the operation of the water treatment plant.
B. The cost of water used for washing filters or for washing or cleaning other water treatment facilities may be charged to this account. When such charges are made, concurrent credits shall be made to account 929, Duplicate Charges Credit.

ITEMS

Labor:
(1) Applying chemicals.
(2) Cleaning basins.
(3) Operating filters.
(4) Removing ice.
(5) Removing sediment
(6) Washing filters.
(7) Operating water softening plant.
(8) Operating fluoridation plant.
(9) Testing and analyzing.

Materials and Expenses:
(10) Charts.
(11) Lubricants, waste, etc.
(12) Shop and laboratory expenses.
(13) Transportation, meals and incidental expenses.
(14) Utility service.

643. Miscellaneous Expenses
This account shall include the cost of labor, materials used and expenses incurred which are not specifically provided for or are not readily assignable to other water treatment operation expense accounts.

ITEMS

Labor:
(1) General clerical and stenographic work.
(2) Guarding and patrolling.
(3) Building service.
(4) Care of grounds including snow removal, cutting grass, etc.
(5) Miscellaneous labor.

Materials and Expenses:
(6) General operating supplies.
(7) First aid supplies and safety equipment.
(8) Building service supplies.
(9) Utility service.
(10) Miscellaneous office supplies and expenses, printing and stationery.
(11) Transportation, meals and incidental expense.
(12) Research and development expenses.

644. Rents
This account shall include all rents of property of others used, occupied or operated in connection with water treatment. (See operating expense instruction ô 567.3.)

Maintenance
650. Maintenance Supervision and Engineering
This account shall include the cost of labor and expenses incurred in the general supervision and direction of the maintenance of water treatment plant. Direct supervision of specific jobs shall be charged to the appropriate maintenance account. (See operating expense instruction ð 567.1.)

651. Maintenance of Structures and Improvements
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 account 331, Structures and Improvements, and of similar property leased from others. (See operating expense instruction ð 567.2.)

652. Maintenance of Water Treatment Equipment
This account shall include the cost of labor, materials used and expenses incurred in the maintenance of water treatment equipment, the book cost of which is includible in account 332, Water Treatment Equipment, and of similar equipment leased from others. Include also any general or other plant the maintenance of which is assignable to the water treatment function and is not provided for elsewhere. (See operating expense instruction ð 567.2.)

4. TRANSMISSION AND DISTRIBUTION EXPENSES

Operation

660. 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 the transmission and distribution system. Direct supervision of specific activities shall be charged to the appropriate account. (See operating expense instruction ð 567.1.)

661. Storage Facilities Expenses
This account shall include the cost of labor, materials used and expenses incurred in the operation of distribution reservoirs, tanks and standpipes.

ITEMS

Labor:
(1) Supervising operation of storage facilities.
(2) Routine inspection of storage facilities.
(3) Operating and lubricating gates and valves.
(4) Adjusting rust-proofing and signal equipment.
(5) Keeping records and preparing reports.
(6) Care of grounds around storage facilities.
(7) Cleaning and flushing of storage facilities.

Materials and Expenses:
(8) Operating supplies, such as lubricants, waste, meter and gauge charts, etc.
(9) Records and report forms.
(10) Utility services.
(11) Tool expense.
(12) Transportation, meals and incidental expenses.

662. Transmission and Distribution Lines Expenses
This account shall include the cost of labor, material used and expenses incurred in the operation of transmission and distribution mains, fire mains, services and hydrants.

ITEMS

Labor:
(1) Supervision operation of mains, services and hydrants.
(2) Routine patrolling.
(3) Electrolysis and soil corrosion investigations and tests.
(4) Operating and lubricating gates and valves.
(5) Observing and recording pressure.
(6) Flushing mains and hydrants.
(7) Reading and changing charts in master meters.

Materials and Expenses:
(8) Operating materials, such as lubricants, waste, meter and gauge charts, etc.
(9) Tool expense.
(10) Transportation, meals and incidental expenses.

663. Meter Expenses
This account shall include the cost of labor, materials used and expenses incurred in the operation of customer meters and associated equipment.

ITEMS

Labor:
(1) Supervising meter operation.
(2) Removing and resetting, disconnecting and reconnecting, changing and relocating meters and associated equipment, except the cost of the first testing and setting of a meter which shall be charged to utility plant account 346, Meters.
(3) Turning on and shutting off service even though a meter is not installed or removed (other than shutting off for nonpayment of bills.)
(4) Inspecting and testing meters on premises or in shops other than that incidental to maintenance.
(5) Inspecting and adjusting meter testing equipment.
(6) Clerical work on meter history record cards, test cards and reports.

Materials and Expenses:
(7) Meter seals and miscellaneous meter supplies.
(8) Record and report forms and office supplies for the meter department.
(9) Utility services for meter department.
(10) Tool expense.
(11) Transportation, meals and incidental expenses.

664. Customer Installations Expenses
This account shall include the cost of labor, materials used and expenses incurred in work on customer installations and in inspecting premises and in rendering services to customers of the nature of those indicated by the list of items hereunder.

ITEMS

Labor:
(1) Supervising customer installations work.
(2) Testing, inspecting, adjusting, and repairing customers' plumbing and fixtures.
(3) Testing and inspecting services installed by the customer.
(4) Investigating and adjusting customers' service complaints.
(5) Changing customers' house piping for the convenience of the utility.

Materials and Expenses:
(6) Materials used in servicing customers' plumbing and fixtures.
(7) Tool expense.
Transportation, meals and incidental expenses.

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 shall be transferred to account 471, Miscellaneous Service Revenues.

Note B: Do not include in this account expenses incurred in connection with merchandising, jobbing and contract work.

665. Miscellaneous Expenses
This account shall include the cost of labor, materials used and expenses incurred in transmission and distribution system operation not provided for elsewhere.

ITEMS

Labor:

(1) Preparing maps and prints.
(2) General clerical and stenographic work, except that chargeable to account 663, Meter Expenses.
(3) Service interruption and trouble records.
(4) Operating records, but not plant accounting, covering mains, services, hydrants, valves, and other transmission and distribution facilities. Exclude meter records chargeable to account 663, Meter Expenses.
(5) Building service.
(6) Miscellaneous labor not provided for elsewhere.

Materials and Expenses:

(7) Map and record supplies.
(8) Printing, stationery, supplies and expenses, except that chargeable to account 663, Meter Expenses.
(9) Building service supplies.
(10) Utility services.
(11) First aid supplies.
(12) Transportation, meals and incidental expenses.
(13) Research and development expenses.

666. Rents
This account shall include all rents of property of others used, occupied or operated in connection with the transmission and distribution system. (See operating expense instruction 567.3.)

Maintenance

670. Maintenance Supervision and Engineering
This account shall include the cost of labor and expenses incurred in the general supervision and direction of the maintenance of the transmission and distribution system. Direct supervision of specific jobs shall be charged to the appropriate maintenance account. (See operating expense instruction 567.1.)

671. Maintenance of Structures and Improvements
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 account 341, Structures and Improvements, and of similar property leased from others. (See operating expense instruction 567.2.)

672. Maintenance of Distribution Reservoirs and Standpipes
This account shall include the cost of labor, materials used and expenses incurred in the maintenance of distribution reservoirs, tanks, standpipes, and related facilities, the book cost of which is includible in account 342, Distribution Reservoirs and Standpipes, and of similar
property leased from others. (See operating expense instruction ð 567.2.)

673. Maintenance of Transmission and Distribution 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 343, Transmission and Distribution Mains, and of similar property leased from others. (See operating expenses instruction ð 567.2.)

674. Maintenance of Fire Mains
This account shall include the cost of labor, materials used and expenses incurred in the maintenance of fire mains, the book cost of which is includible in account 344, Fire Mains, and of similar property leased from others. (See operating expense instruction ð 567.2.)

675. 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 345, Services, and of similar property leased from others. (See operating expense instruction ð 567.2.)

676. Maintenance of Meters
This account shall include the cost of labor, materials used and expenses incurred in the maintenance of meters and meter testing equipment, the book cost of which is includible in account 346, Meters, account 395, Laboratory Equipment, and of similar property leased from others. (See operating expense instruction ð 567.2.)

Note A: The initial testing of meters shall be charged to account 346, Meters.

Note B: When water used for testing meters is taken from the supply for general distribution, the cost of water so used may be charged to this account and credited to account 929, Duplicate Charges--Credit.

677. Maintenance of Hydrants
This account shall include the cost of labor, materials used and expenses incurred in the maintenance of fire hydrants and associated equipment, the book cost of which is includible in account 348, Hydrants, and of similar property leased from others. (See operating expense instruction ð 567.2.)

678. Maintenance of Miscellaneous Plant
This account shall include the cost of labor, materials used and expenses incurred in the maintenance of plant, the book cost of which is includible in account 349, Other Transmission and Distribution Plant, and any general or other plant the maintenance of which is assignable to the transmission and distribution function and is not provided for elsewhere. (See operating expense instruction ð 567.2.)

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 ð 567.1.)

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) Checking seals, etc. when performed by meter readers and the work represents a minor activity incidental to regular meter reading routine.
(4) Reading meters for billing purposes. Exclude and charge to account 663, Meter 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) Computing consumption from meter reader's book or from reports by mail when done by employees engaged in reading meters.
(6) Collecting from prepayment meters when incidental to meter reading.
(7) Maintaining record of customers' keys.
(8) Computing estimated or average consumption when performed by employees engaged in reading meters.

Materials and Expenses:
(9) Badges, lamps, and uniforms.
(10) Meter books and binders and forms for recording readings, but not the cost of preparation.
(11) Postage and supplies used in obtaining meter readings by mail.
(12) 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 customer's 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 requests 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 analysis 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) Rent of mechanical equipment.
Note: The cost of work on meter history and meter location records is chargeable to account 663, Meter 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
6. SALES EXPENSES
   Operation

   910. Sales Expenses
   This account shall include the cost of supervising and directing the
   sales department, salaries and commissions for soliciting business,
   sales advertising expenses, and miscellaneous supplies and expenses
   incurred in sales activities.
   Note: Where sales activities of the utility are minor and the expenses
   are not material, this account need not be maintained, in which event
   the expenses shall be charged to the administrative and general expense
   account appropriate for the nature of the expense.

7. 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 property
      chargeable to utility operations and not chargeable directly to a
      particular operating function.
   B. This account shall be subdivided in accordance with the utility's
      administrative organization such as executive, accounting, treasury,
      legal, etc.

   921. Office Supplies and Other Expenses
   A. This account shall include office supplies and other 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 shall be subdivided in accordance with the utility's
      administrative organization such as executive, accounting, treasury,
      legal, etc.
   Note: Office expenses which are clearly applicable to any group of
   operation expenses other than the administrative and general group shall
   be included in the appropriate account in each functional 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, Miscellaneous General Expenses.

ITEMS

   (1) Automobile service, including charges through clearing accounts.
   (2) Bank messenger and service charges.
   (3) Books, periodicals, bulletins and subscriptions to newspapers,
       newsletters, tax services, etc.
   (4) Building service expenses for customer accounts, sales and
       administrative and general purposes.
   (5) Communication service.
   (6) Cost of individual items of office equipment used by general
       department 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.)
   (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.

922. Administrative Expenses Transferred--Credit

This account shall be credited with administrative expenses recorded in account 920 and 921 which are transferred to construction costs or to nonutility accounts. (See water plant instruction § 563.4.)

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 nor 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 material account.
2. Transportation and other general equipment, to appropriate clearing accounts that may be maintained.
3. Utility plant leased to others, to account 413, Expenses of Water Plant Leased to Others.
4. Nonutility property to the appropriate nonutility income account.

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 damage 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 damage, 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 to* 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.
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. (See also note B of account 926.)

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 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 appropriate accounts for transportation expenses.

926. Employees 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 ð 561.17.)

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 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 employees in cash or its equivalent subject to their free disposition. To the extent that the securities thus purchased have an actual market value, the amounts paid for them may be carried meanwhile in account 128, Other Special Funds; otherwise such amounts shall be charged to account 426, Miscellaneous Income Deductions. (See general instruction § 561.8.)

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 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 incidental 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 water property, which are chargeable to the water plant accounts. Costs incurred in connection with property purchases shall be accounted for as provided in water plant instruction section 563.5. (See also account 183.)
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 water 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 of the utility 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. 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.

ITEMS

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) Trustee, registrar, and transfer agent fees and expenses. (See note B 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) Institutional or goodwill advertising. (See note A below.)
(13) 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 A: The cost of any advertising for the purpose of influencing public opinion as to the election of public officers, referenda, proposed legislation, proposed ordinances, repeal of existing laws or ordinances, approval or revocation of franchises, or for the purchase of influencing the public or its elected officials, in respect to political matters shall not be included herein but charged to account 426, Miscellaneous Income Deductions.

Note B: 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. General Rents
This account shall include rent properly includible in water 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 ð 567.3 and account 931.2.)

931.2. Expenses of Data Processing Equipment
This account shall include expenses properly includible in water 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 instruction ð 567.3 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 ð 567.2.)
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.

ARTICLE 2
Classes C and D

PART
575 General Provisions
576 Instructions--General
577 Instructions--Water Plant Accounts
578 Instructions--Operating Revenue Accounts

PART 575
GENERAL PROVISIONS
(Statutory authority: Public Service Law, ð 89-c(3))

Sec.
575.0 Order authorizing uniform system of accounts for classes C and D
575.1 Definitions
Section 575.0 Order authorizing uniform system of accounts for classes C and D.  (a) The uniform system of accounts for waterworks corporations (classes C and D) is hereby prescribed for every waterworks corporation (as that term is defined in the Public Service Law) which has annual operating revenues from water operations of $100,000 or more but less than $700,000 subject to the jurisdiction of this commission, and every such waterworks corporation is hereby required, on and after July 1, 1987, 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 waterworks 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 waterworks 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) As of the date a utility becomes subject to this system of accounts, it shall prepare opening entries in accordance with the following provisions:

(1) The accounts prescribed herein shall be opened by transferring thereto the balances carried in the accounts previously maintained. The company is authorized to make such subdivisions, reclassifications or consolidations of such balances as are necessary to meet the requirements of this system of accounts.

(2) The company shall prepare and keep as supporting records summary statements showing:

(i) the closing balances in each account carried on the books prior to the adoption of this system of accounts;

(ii) the journal entries to effect the transfer of those balances to the accounts prescribed herein, arranging such entries so as to show for each account or subdivision thereof from what account and to what account each amount was transferred; and

(iii) the resultant opening balance of each account under this system of accounts.

(3) The first annual report filed with this commission by a utility covering its operations subsequent to the adoption of this system of accounts shall include copies of statements referred to in paragraph (2) of this subdivision.

(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.

(f) The system of accounts prescribed by this Part shall become effective July 1, 1987, and shall be put into effect by each water corporation affected thereby on July 1, 1987.

575.1 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
(1) Common control with) means the possession, directly or indirectly, of
the power to direct or cause the direction of the management and
policies of a company, whether such power is exercised through one or
more intermediary companies, or alone, or in conjunction with, or
pursuant to an agreement, and whether such power is established through
a majority or minority ownership or voting of securities, common
directors, officers, or stockholders, voting trusts, holding trusts,
associated companies, contract, or any other direct or indirect means.

(4) Commission or this commission means the Public Service Commission
of the State of New York.

(5) Company. (See paragraph (9) of this subdivision.)

(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, water plant instruction
section 577.1 of this Title.)

(7) Long-term debt means notes or other obligations having a life of
more than one year from date of creation or assumption (except
obligation representing advances from associated companies), and all
unmatured bonds and receivers' certificates.

(8) Original cost as applied to water plant, means the cost of such
property to the person first devoting it to public service.

(9) 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.

(10) Utility or utility company as used herein and when not otherwise
indicated in the context, means any waterworks corporation. (See Public
Service Law.)

(11) Waterworks corporation. (See Public Service Law.)

Section 576.1 Classification of utilities. (a) For the purpose of
applying the system of accounts prescribed herein, utilities are divided
into two classes as follows:

Class C. Utilities having annual water operating revenues of $400,000
or more but less than $700,000. Such utilities shall keep all the
accounts prescribed herein which are applicable to their operations.
Class D. Utilities having annual water operating revenues of $100,000 or more but less than $400,000. Such utilities shall keep all the accounts prescribed herein which are applicable to their operations, except those accounts in which the letter D does not appear in the prefix.

(b) The class to which any utility belongs shall be determined by the average of its annual water operating revenues for the three years next preceding the effective date of this system of accounts. If the average of its water operating revenues for the three years ended December 31st of any year following the effective date of this system of accounts is greater than the maximum specified for the class within which the utility has theretofore been included, such utility shall for the succeeding year keep the accounts prescribed for such higher class.

(c) Any utility, which because of its revenues falls within a given class, may, at its option, adopt the system of accounts prescribed for a higher class. Notice of such action shall be promptly filed with the commission.

576.2 Records. (a) Each utility shall so keep its books of account, and all other books, records, and memoranda which support in any way the entries in such books of account, as to be able to furnish readily full information as to any item included in any account. Each entry shall be supported by such detailed information as will permit a ready identification, analysis, and verification of all the facts relevant thereto.

(b) The books and records referred to herein include not only accounting records in a limited technical sense, but all other records such as minute books, stock books, reports, correspondence, memoranda, engineering records, calculations, drawings, etc., which may be useful in developing the history of or facts regarding any transaction.

(c) Except as authorized by this commission, all operating, accounting, or financial papers, records, books, invoices, stubs, maps or documents or any papers or records which support entries to any of the accounts or which are necessary for an analysis shall be retained permanently. All such records shall be accessible, at all times, to the authorized representatives of the commission at a location within the State of New York.

(d) Subdivisions of any account in the system of accounts prescribed herein and clearing, temporary, or experimental accounts may be kept, provided that such subdivisions or additional accounts do not impair the integrity of the prescribed accounts. The titles of all subdivisions or subaccounts shall refer by number and title to the account or accounts of which they are subdivisions.

(e) All charges to the accounts prescribed in this system for water plant, income, operating revenues and operating expenses shall be just and reasonable and any payments by the utility in excess of just and reasonable charges shall be included in account 1538, Miscellaneous Income Deductions.

(f) The numbers prefixed to account titles are to be considered as part of the titles. Each utility may, however, adopt a different system of account numbers provided that the numbers herein prescribed shall appear in the descriptive headings of the ledger accounts. When the same account number is used in system of accounts prescribed for different classes of operations conducted by one utility, the initial letters W,
G, E, O, R and S may be prefixed to identify the account with water, gas, electric, omnibus rail line or steam heating, respectively. Accounts for common utility plant and operations shall be designated by the word "common."

576.3 Accounting period. Each utility in Class C shall keep its books on a monthly basis, so that all transactions applicable thereto, as nearly as may be ascertained, shall be entered monthly in the books of the utility. Each utility in Class D shall keep its books on either monthly or quarterly basis; when the quarterly basis is used provisions contained herein relative to monthly entries shall be regarded as calling for quarterly entries. A trial balance shall be taken after the monthly or quarterly postings have been made, and each utility shall close its books at the end of each calendar year.

576.4 Submission of questions. To maintain uniformity of accounting, utilities shall submit questions of doubtful interpretation to the commission for consideration and decision. Utilities shall also ask for instructions, if occasion arises, regarding the accounting for such transactions as spreading over a number of months relatively large income or expense items which if included in the accounts for a single month would seriously distort the accounts; the disposition of items which relate to transactions which occurred prior to the current calendar year but which were not recorded in the books of account in the prior year and which are relatively so large that inclusion in the accounts for a single year would seriously distort the accounts; and expenditures for replacement of units of property leased from others. Ordinary delayed items shall be charged or credited to the same accounts which would have been charged or credited if the items had not been delayed.

576.5 Accounting to be on accrual basis. (a) The utility is required to keep its accounts on the accrual basis. This requires the inclusion in its accounts on an estimated basis of all known transactions of appreciable amount which affect the accounts, even though bills covering such transactions have not been received or rendered. When the bills are received or rendered, appropriate adjustments shall be made. (b) Also when payments are made for items such as insurance, rents, taxes, or interest, the amount applicable to future periods shall be charged to account 1132, Prepayments, and spread over the periods to which applicable by credits to account 1132, Prepayments, and charges to the accounts appropriate for the expenditure.

576.6 Interpretation of lists of items. Lists of items appearing in the texts of the accounts or elsewhere herein are for the purpose of more clearly indicating the application of the prescribed accounting. The lists are intended to be representative, but not exhaustive. The appearance of an item in a list warrants inclusion of the item in the account mentioned only when the text of the account also indicates inclusion, inasmuch as the same item frequently appears in more than one list. The proper entry in each instance must be determined by the texts of the accounts.

576.7 Transactions with associated companies. (a) Each utility shall
so keep its accounts and records as to be able to furnish accurately and expeditiously statements of all transactions with associated companies, showing the general nature of the transactions, the amounts involved therein and the amounts included in each account prescribed herein with respect to such transactions.

(b) Dividends, rebates, or earnings from associated companies or mutual service companies representing refunds of the excess charges made by such companies over the cost to them, shall be cleared through account 1901, Charges by Associated Companies--Clearing, and shall be credited so far as practicable to the same accounts to which the corresponding charges were made, including proper distinction between construction and operating expenses. Credits applicable to operating expenses which it is impracticable to allocate among the accounts to which the corresponding charges have been made, shall be to account 1806, Duplicate Charges--Credit.

576.8 Depreciation accounting.

(a) Depreciation, as applied to water plant, means the net loss in service value not restored by current maintenance, incurred in connection with the consumption or prospective retirement of water plant in the course of service from causes which are known to be in current operation and against which the utility is not protected by insurance. Among the causes to be given consideration are wear and tear, decay, action of the elements, inadequacy, obsolescence, changes in the art, changes in demand, and requirements of public authorities.

(b) Each utility shall record each month (see also general instruction ò 576.3) the estimated amount of depreciation on water plant accrued during that month, by crediting the appropriate subdivision of account 1250, Reserve for Depreciation of Utility Plant, and charging the accounts for the depreciation expense as follows:

<table>
<thead>
<tr>
<th>Account in Which Water Plant is Included</th>
<th>Subdivision of Account 1250 to be Credited</th>
<th>Account to be Charged</th>
</tr>
</thead>
<tbody>
<tr>
<td>1101 Water Plant in Service</td>
<td>1250.1 Reserve for Depreciation of Water Plant in Service</td>
<td>1503 Depreciation (See notes hereunder.)</td>
</tr>
<tr>
<td>1102 Water Plant Leased to Others</td>
<td>1250.2 Reserve for Depreciation of Water Plant Leased to Others</td>
<td>1508.2 Expenses of Water Plant Leased to Others</td>
</tr>
<tr>
<td>1104 Water Plant Held for Future Use</td>
<td>1250.4 Reserve for Depreciation of Water Plant Held for Future Use</td>
<td>The question to be submitted to the commission</td>
</tr>
<tr>
<td>1106 Unclassified Water Plant</td>
<td>1250.6 Reserve for Depreciation of Unclassified Water Plant</td>
<td>1503 Depreciation (See note hereunder.)</td>
</tr>
</tbody>
</table>

Note A: To the extent that any water property is used in construction, the depreciation thereon shall be charged to account 1103, Construction Work in Progress; if clearing accounts are used, depreciation of plant (except structures) the maintenance and operation of which are charged to clearing accounts, shall be charged to such clearing accounts.

Note B: The accounting for depreciation of utility plant in other departments carried in account 1108, Other Utility Plant, which are subject to regulation by the commission shall be in accordance with the
effective system of accounts applicable to such operations.

Note C: Depreciation accruals on "common" plant (see note B under heading "Utility Plant" in the Balance Sheet Accounts, infra) shall be currently distributed on an equitable basis to the departments making use thereof; the reserve applicable to common plant shall be carried by Class C utilities in subdivisions of account 1250, Reserve for Depreciation of Utility Plant, applicable to the plant account wherein the common plant is carried.

Note D: See also account 1250, Reserve for Depreciation of Utility Plant, and water plant instruction section 577.2.

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576.9 Distribution of pay and expenses of employees. (a) The charges to water plant, operating expense and other accounts for services and expenses of employees engaged in activities chargeable to various accounts, such as construction and operations (or in more than one type of water operation, such as water source and distribution) shall be based upon the actual time engaged in the respective classes of work, or, in case that method is impracticable, upon the basis of a study of the time actually engaged during a representative period.

(b) The pay and expenses of general officers shall be charged to the actual work on which they are engaged, to the particular operations over which they have direct supervision, or, if their jurisdiction is over the entire water operation, to the appropriate accounts provided in the administrative and general group in operating expenses.

(c) Except as otherwise specifically provided in this system of accounts or by order of the commission, no amounts for salaries or wages shall be included in charges to water plant, cost of removal, or water operating expenses, except employees' welfare and pension expenses includible in account 1800, Other General Expenses, which are not paid to employees affected subject to their free disposition. Payroll deductions made under a statute or order of a court; or for such purposes as group insurance, purchase of appliances or homes, etc., authorized by written order of the employee without coercion of any kind, may be included.

NYCRR

576.10 Accounting for other departments. This system of accounts is designed for use by water utilities. If the utility, in addition to its water operations, operates other departments, such as electric or gas, it shall keep such accounts for the other departments as may be prescribed by this commission, and in the absence of prescribed accounts, it shall keep such accounts as are proper or necessary to reflect the results of operating each such other department. It is not intended that proprietary and similar accounts which apply to the utility as a whole shall be departmentalized. (See also general instruction 6 576.2, subd. (f).)

NYCRR

576.11 Allocation of costs between water plant and operating expenses to be made currently. Each utility shall determine currently the costs which are applicable to the water plant accounts and in the case of costs involving allocations, the amount which is applicable to other accounts, such as operating expenses, taxes, depreciation reserve (cost of plant removal), other balance sheet accounts, and income or surplus accounts; the intent of this provision being that such costs shall be allocated to the accounts to which they are applicable when they are
incurred.

576.12 Employee pensions and benefits. (a) All costs of employee pensions and benefits, whether such costs represent pensions payable currently to retired employees or their beneficiaries, advance provision for future payments, or both, are includible in the charges of each accounting period, provided: (1) the pension program under which the costs are determined is reasonable, (2) amounts paid are irrevocably dedicated to pension purposes, and (3) any program of systematic advance provision is based on actuarial studies or other recognized and acceptable systematic method of computation and allocation. Pension payments and accruals are includible in account 1800, Other General Expenses; however, a utility may distribute to construction and retirement projects and to clearing and other accounts an applicable portion of the pension and benefits costs.

(b) No charge shall be made to any account in this system of accounts to reflect the advance provision for employee pension and benefits costs or to augment incomplete provision at a given date for amounts computed in relation to service prior to that date, unless full particulars of the program shall have been filed with the commission together with copies of supporting documents. Filings shall be promptly made also of any material changes in pension or other benefits programs, subsequent to the initial presentation to the commission. Acceptance by the commission of such data, as filed, shall not be interpreted as constituting approval of a pension and employee benefits program, or of documents associated therewith, or of any accounting made thereunder by the utility.

(c) The utility shall keep supporting records which will disclose as of the end of each accounting period:

1. the amounts disbursed by the company during the period direct to pensioners or their beneficiaries;
2. the amounts paid into the fund dedicated to future pension payments; and for each of such classes of disbursements, the accumulated total from the beginning of the year;
3. the amount accumulated in the pension fund as provision for future pension payments; and
4. at each year end the amount by which pension commitments under the plan as then in effect, even though subject to future amendment or termination, computed in relation to employee service to that date, (generally the "actuarial liability") exceed the amount in the pension fund.

INSTRUCTIONS--WATER PLANT ACCOUNTS

Sec.
577.1 Water plant to be recorded at original cost
577.2 Additions and retirements of water plant
577.3 Components of construction cost
577.4 Work order system required (Class C utilities only)
577.5 Transfers of property
577.6 Expenditures on property leased for use in water operations
amounts included in subaccounts 1301-1336 of accounts 1101 to 1104 for water plant (except as otherwise provided in account 1302, Franchises and Consents) shall be the original cost (see definition 575.1, subd. (a) (8)) of such water plant. (See also paragraphs B and C of account 1106.)

(b) When the term cost is used in the detailed water plant accounts (1301-1336), it shall mean the original cost unless otherwise specified and shall include not only the materials, supplies, labor, services and other items consumed or employed in the construction and installation of water plant, but also the cost of preliminary studies, plans, surveys, engineering, supervision, and general expenses, which contribute directly and immediately to water plant without duplication of such cost.

(c) When the consideration given for property is other than cash, the value of such consideration shall be determined on a cash basis. In the entry recording such transaction the actual consideration shall be described with sufficient particularity to identify it. The utility shall be prepared to furnish the commission the particulars of its determination of the cash value of the consideration, if other than cash.

(d) When property is purchased under a plan involving deferred payments, no charge shall be made to the water plant accounts for interest, insurance, or other expenditures occasioned solely by such form of payment.

(e) Water plant contributed to the utility or constructed by it from contributions to it of cash or its equivalent shall be charged to the water plant accounts at cost (see 575.1, subd. (a) (6)) to the utility (i.e., original cost less the portion thereof contributed by, or on behalf of customers). Records shall be kept so that the utility can readily furnish information as to the source, purpose, and amount of each contribution, the property to which each contribution relates, and the conditions, if any, upon which each contribution was made.

Note: Amounts received for construction which are ultimately to be refunded, wholly or in part, shall be credited to account 1241, Customer Advances for Construction. When the amount to be refunded has been finally determined, the balance, if any, remaining in account 1241 shall be debited thereto and credited to the water plant accounts to which the cost of the property was charged.

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577.2 Additions and retirements of water plant. (a) For the purpose of avoiding undue refinement in accounting for additions to and retirements and replacements of water plant, all property shall be considered as consisting of units of property or retirement units and minor items. Units of property means those items of water plant which are sufficiently distinct or important so that when they are retired with or without being replaced by other units of the same type or use, they are accounted for by crediting the amount at which they are carried on the books to the water plant account in which included. All other items are to be considered as minor items. These retirement units should not be confused with continuing property record units filed by utilities with annual operating revenues in excess of $50,000; the latter are units for which the cost will be shown separately in the continuing property records. Whenever units of property are mentioned in this system of accounts, the term refers to retirement units and not to continuing
property record units. Each utility may adopt its own list of units of property for the purpose of this instruction until such time as the commission shall prescribe a list of units.

(b) Units of property. (1) When a unit of property is added to water plant, the cost thereof shall be added to the appropriate water plant account.

(2) When a unit of property is retired from water plant (i.e., is removed, sold, abandoned, destroyed or otherwise ceases to be used or useful in water service), whether or not replaced by another unit of the same type or use, the amount at which it is carried on the books shall be credited to the water plant account in which it is included (determined in the manner set forth in subd. (d), below) and charged to the depreciation reserve provided for such property.

(c) Minor items of property. (1) When a minor item of property which does not replace a similar item is added to water plant the cost thereof shall be charged to the appropriate maintenance account and no entry shall be made in the water plant or depreciation reserve accounts.

(2) When a minor item is retired and replaced independently of the unit of property of which it is a part, the cost of replacement shall be charged to the appropriate maintenance account and no entry shall be made in the water plant or depreciation reserve accounts.

(3) When a minor item the book cost of which does not exceed $50 is retired and not replaced, if the book cost of such minor item is included with or spread over one or more units of property so that it will be accounted for through the retirement of such one or more units of property, no separate credit to the water plant account shall be made; otherwise, however, the book cost of such minor item shall be credited to the appropriate water plant account and charged to account 1250, Reserve for Depreciation of Utility Plant.

Note: For example, if a given length of main, including all fittings, valves, etc., is a unit and the cost of such section of main includes the cost of the fittings, valves, etc., no separate credit to the plant accounts shall be made when a fitting or valve (the book cost of which is less than $50) is retired even though not replaced. Any labor in connection with the removal shall be charged to the appropriate maintenance account, and any salvage for material recovered shall be credited to the appropriate maintenance account.

(d) Determination of amount to be credited to plant accounts. Water plant retired shall be credited to the plant accounts at the amount at which such property is included therein, including all components of construction costs, such as engineering, supervision, interest and taxes during construction, etc. The amount shall be determined from the utility's records and if this can not be done, it shall be estimated. When it is impracticable to determine the amount carried on the books for each item, due to the relatively large number or small cost thereof, the average of such items, with due allowances for any differences in size, character, and year of installation (if known), shall be used.

(e) Land retired. When land is retired the amount at which it is carried on the books shall be credited to the appropriate land account. If the land is sold, the difference between the amount at which it is carried on the books and the sale price of the land (less commissions and other expenses of making the sale) shall be credited or debited to account 1250, Reserve for Depreciation of Utility Plant.

SO DOC 16C-577.3 NYCRR
Components of construction cost.

(a) The cost of construction properly includible in the water plant accounts shall include, when applicable and when actually incurred, the cost of contract work, labor, materials and supplies, transportation, engineering and supervision, law expenditures, compensation and other insurance and injuries and damages applicable to construction, taxes and interest during construction, permits and privileges, use of construction facilities, cost of keeping construction records, and other analogous elements applicable to the construction and acquisition of water plant. The costs includible in the principal items are:

(1) Contract work includes amounts paid for work performed under contract by other companies, firms, or individuals, costs incident to the award of such contracts, and the inspection of such work. The cost of work performed by the utility on projects when part of the work is performed by the utility itself and part is performed by others under contract shall be included as labor, materials, transportation, general administration, engineering services, etc.

(2) Labor includes the pay and expenses of employees of the utility engaged on construction work, and also workmen's compensation insurance, payroll taxes and similar items of expense.

(3) Materials and supplies includes the purchase price at the point of free delivery plus customs duties, excise taxes, the cost of inspection, loading and transportation, the related stores expenses and the cost of fabricated materials from the utility's shop. In determining the cost of materials and supplies used for construction, proper credit shall be made for unused materials and supplies, for materials recovered from temporary structures used in performing the work involved, and for discounts allowed and realized in the purchase of materials and supplies.

(4) Transportation includes the cost of transporting employees, materials and supplies, tools, purchased equipment, and other work equipment (when not under own power) to and from points of construction. It includes amounts paid to others as well as the cost of operating the utility's own transportation equipment.

(5) Engineering and supervision includes the portion of the pay and expenses of general officers, engineers, surveyors, draftsmen, inspectors, superintendents and their assistants applicable to construction work and the amounts paid to other companies, firms or individuals engaged by the utility to plan, design, prepare estimates, supervise, inspect, or give general advice and assistance in connection with construction work.

(6) Law expenditures includes the general law expenditures incurred in connection with construction and the court and legal costs directly related thereto.

(7) Interest during construction includes the net cost of borrowed funds used for construction purposes and a reasonable rate upon the utility's own funds when so used. Interest during construction shall be charged to the individual job upon which the funds are expended and shall be credited to account 1536, Interest Charged to Construction--Credit. The period for which interest may be capitalized shall be limited to the period of construction. No interest shall be included in these accounts upon expenditures for construction projects which have been abandoned.

(8) Taxes during construction includes taxes on physical property
(including land) during the period of construction and other taxes properly includible in construction costs before the facilities become available for service.

Note: The cost of property includes the cost of preliminary surveys and studies and the cost of preparing plans and specifications at the time of construction for construction projects which are undertaken, and also the cost of keeping the construction accounts during the construction period, together with the cost of maps, books, files and other systems employed and permanently preserved in support of such construction costs. The cost of property does not include the cost incurred subsequent to the construction period of preparing, installing or maintaining maps, inventories, accounting and other financial records of property for use in the operation of a constructed plant, the cost of the preparation of inventories, appraisals, or other studies, nor costs incurred in the establishment or revision of accounting routine.

577.4 Work order system required (Class C utilities only). (a) Each utility shall record all changes, such as installations, additions, retirements or replacements in water plant used wholly or partly in water operations by means of a work order or job order system. Such work orders and supporting records shall be permanently preserved.

(b) All installations, additions, retirements, or replacements shall be covered by work orders. Standing work orders may be used for projects of less than $250 each, such as for mains, services, and meters.

(c) The work order shall include the following particulars:

(1) A work order number;

(2) A description and the location of the work to be done (or the purchase to be made), the dates between which such work (or purchase) is to be accomplished, the date when the work was begun and the date when finished, the estimated cost of the project, together with maps, plans, diagrams, specifications, etc., applicable to the project;

(3) The accumulated charges applicable to each particular job or project and the total cost of the completed project; the cost of removal shall also be shown. When any project involves charges to more than one account, the work order shall be so kept as to show the amount chargeable to each account. Every charge or credit on work orders shall refer to the voucher, journal, or other source from which the entry therein was made.

(d) The cost of completed projects shall be promptly transferred to the accounts to which chargeable.

Note: 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 which satisfies the commission that the system which it has in use for recording changes in water 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.

577.5 Transfers of property.

(a) When property is transferred from one account for water plant to another, from one utility department to another, such as from water to electric, to or from accounts, 1101, Water Plant in Service, 1102, Water Plant Leased to Others, and 1104, Water Plant Held for Future Use, the transfer shall be recorded by transferring the book cost thereof from
the one account, department or division to the other, and likewise any related amounts carried in the depreciation and amortization reserves and other accounts shall be transferred in accordance with the segregation of such reserves and other accounts. When property (except customers' meters) in connection with which installation costs have been incurred is physically transferred it shall be accounted for as provided in water plant instruction section 577.2.

(b) When property subject to depreciation is transferred from the water plant accounts to account 1110, Other Physical Property, the transfer shall be accomplished by crediting the water plant accounts and charging the depreciation reserve with the book cost of the item transferred; the depreciation reserve shall then be credited and account 1110, Other Physical Property, charged with the fair value of the property transferred.

§ 577.6 Expenditures on property leased for use in water operations. (a) The cost of additions and betterments, excluding replacements by lessee of units of property installed by lessor, to property leased from others shall be charged to separate subdivisions of the water plant accounts appropriate for the class of property leased. Depreciation thereon shall be computed on a basis consistent with the duration of the lease.

(b) The cost of initial repairs and rearrangements to adapt the property for use in water operations shall be charged to a subdivision of account 1132, Prepayments, and amortized over the life of the lease through credits to that account with concurrent debits to the rent account appropriate for the class of property involved.

(c) If, in the case of leased property, replacements of units of property installed by the lessor become necessary, the utility shall make application to the commission for instructions regarding the accounting procedure to be followed and shall submit full particulars of the nature and extent of the replacements.

(d) When expenditures on property leased from others for use in water operations are relatively minor, or the period of the lease is less than one year, the cost shall be charged to the account appropriate for the cost of repairs of such plant.

§ 578.1 Purpose of operating revenue accounts

§ 578.2 Basis of credits to operating revenue accounts

§ 578.3 Commissions on water sales

§ 578.4 Water supplied without direct charge

§ 578.5 Water, steam or other power used by utility

Section 578.1 Purpose of operating revenue accounts. The operating revenue accounts (1601 to 1615.2) are designed to show the amounts of money which the utility becomes entitled to receive from furnishing water utility service and from service incidental thereto, including amounts for services rendered but not yet billed when the utility exercises its option to record in account 1133, Miscellaneous Current and Accrued Assets, such accrued water revenue.
578.2 Basis of credits to operating revenue accounts. Credits to the operating revenue accounts shall be made on the basis of the net tariff rates. Discounts forfeited for delayed payments shall be credited to account 1613, Customers' Forfeited Discounts. Corrections of overcharges and overcollections theretofore credited, authorized abatements and allowances, and other corrections shall be charged to the revenue accounts to which they relate.

578.3 Commissions on water sales. If the utility distributes all or a part of its water through an agent but the sales are made to customers under rate schedules filed by the utility, the utility shall credit its revenue accounts with the full amount of sales to customers. The commission paid to the agent shall be charged to account 1800, Other General Expenses, and any distribution expenses charged by the agent shall be debited to the appropriate expense accounts. Agents shall credit the amount of commissions earned to operating revenue account 1615.2, Miscellaneous Water Revenues.

578.4 Water supplied without direct charge. Water supplied to municipalities, or to other governmental units, without charge, in accordance with franchise and similar requirements, shall be charged to account 1805, Franchise Requirements, and credited concurrently to account 1806, Duplicate Charges--Credit.

578.5 Water, steam or other power used by utility. (a) If the utility desires to charge the appropriate accounts in any of its water operations with the cost of water, steam or other power used from its own supply, the credit therefor shall not be made to operating revenue accounts, but to account 1806, Duplicate Charges--Credit.

(b) Water supplied by the utility from its own supply to other departments shall be credited to account 1608, Interdepartmental Sales. Steam or other power supplied from the water plant to other departments shall be credited to account 1730, Power Transferred--Credit, except when such production of steam or other power is treated as a joint facility, in which case it shall be accounted for as provided in accounts 1808-1809.

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UTILITY PLANT

Note A: In accounts 1101, 1102, and 1104 for water plant are to be carried the totals of the detailed plant accounts 1301-1336 in which the utility's plant is required to be carried on the utility's plant ledger.

Note B: If the utility is engaged in more than one utility service, such as water, electric or steam, and any of its utility plant is used in common for several utility services or for other services, the original cost of such plant may be carried in a separate subdivision of the plant accounts, wherefore the word "common" shall be suffixed to designate such property as common.

D 1100. Water Plant
This account shall include items provided for in accounts 1101 to 1104.

C 1101. Water Plant in Service
This account shall include the original cost of water plant owned and used and useful by the utility in the service of the public in its water operations. The original cost of such plant not owned, including additions to and betterments of property leased from others, shall be included in separate subdivisions of this account. (See water plant instruction 6 577.6.)

C 1102. Water Plant Leased to Others
This account shall include the original cost of water plant owned by the utility and leased to others as operating units or systems when the lessee has exclusive possession, such as an entire source of supply, distribution system, or office building.

C 1103. Construction Work in Progress
This account shall include the expenditures on water plant in process of construction but not ready for service at the date of the balance sheet.

C 1104. Water Plant Held for Future Use
This account shall include the original cost of water plant owned and held for future use in water service under a definite plan for such use. This includes property acquired but never used by the utility in water service, but held for such service in the future under a definite plan, and property previously used by the utility in water service, but retired from such service and held pending its reuse in water service in the future under a definite plan.

Note: Materials and supplies and meters held in reserve shall not be included in this account.

D C 1105. Water Plant Acquisition Adjustments
A. With respect to water plant acquired prior to the effective date hereof and still in service at that date, this account shall include (unless otherwise ordered by this commission) the difference between the amount carried on the books therefor as of the effective date hereof, and the original cost thereof when such difference is not clearly includible in any other account.

B. With respect to water plant acquired after December 31, 1938, as an operating unit or system by purchase, merger, consolidation, liquidation or otherwise, this account shall include (unless otherwise ordered by this commission) the difference between (a) the cost to the accounting utility of such water plant, and (b) the original cost thereof, less credits representing contributions (see paragraph B of account 1265, Contributions in Aid of Construction, and water plant instruction 6
577.1, subd. (e)), less the amount or amounts credited to the
depreciation reserves of the accounting utility at the time of
acquisition with respect to such water plant and less the amount in
account 1265, Contributions in Aid of Construction.
C. Whenever practicable, this account shall be subdivided by Class C
utilities according to the character of the amounts included herein and
so as to show the amounts applicable to water plant in service, water
plant leased to others, and water plant held for future use.
D. A record shall be kept of the amounts in this account for each
property acquisition after the effective date hereof.
E. With respect to the amount applicable to water plant acquired prior
to the effective date hereof, and to each property acquisition
thereafter, the utility shall notify the commission as to its program
for depreciation, amortization, or other disposition of the amounts
included in this account.
D C 1106. Unclassified Water Plant
A. Pending the classification of water plant at the effective date of
this system of accounts in accordance with the accounts prescribed
herein, as provided in paragraph B hereof, each utility shall maintain
its present accounts with respect to such property which shall be
summarized under the title of this account.
B. Not later than six months after the effective date hereof, each
utility in Class C shall submit to the commission the entries it
proposes to make to carry out the provisions of this system of accounts
with reference to the original cost of its water plant as of the
effective date hereof. It shall submit also a comparative balance sheet
showing the accounts and amounts appearing in its books as of the
effective date of this system of accounts and the accounts and
respective amounts as of the same date after the proposed entries shall
have been made.
C. Nothing herein stated shall be taken as permitting the recording as
part of the original cost of water plant of amounts charged in previous
years to operating expenses, operating taxes or other income or surplus
accounts.
D. There shall also be included in a separate subdivision of this
account (1) the cost of water plant acquired as an operating unit or
system by purchase, merger, consolidation, liquidation or otherwise,
pending the distribution thereof to the appropriate accounts in
accordance with orders of this commission; and (2) the credit for the
sale price of water plant constituting an operating unit or system sold,
conveyed or transferred to another through sale, merger, consolidation,
or otherwise, pending the completion of the accounting for the
transaction and an order of this commission for the accounting of such
sale.
D C 1108. Other Utility Plant
A. There shall be included under this caption the balances in accounts
for utility plant other than water plant, as for example, electric,
steam, etc.
B. A separate account shall be kept for each utility department.
Note: In the case of utility services for which systems of accounts
are prescribed by this commission, the appropriate accounts in such
systems shall be used.

INVESTMENT AND FUND ACCOUNTS

D C 1110. Other Physical Property
A. This account shall include the cost to the utility of land, structures, and equipment owned by the utility and not includible in utility plant accounts (1100-1108).

B. The records supporting the entries to this account shall be so kept that the utility can furnish information as to the nature and cost of each kind of property, from whom it was acquired, its location, and its use.

D C 1114. Miscellaneous Investments and Special Funds

A. This account shall include assets, such as:

1. Investments in securities issued or assumed by others
2. Advances to others, except advances to associated companies (see account 1115) including interest accrued thereon
3. Assets held in sinking funds, depreciation funds, and other special funds, such as:
   a. Cash
   b. Securities issued by others or other assets, at cost except as provided in paragraphs C and D
   c. Live securities, issued or assumed by the utility, at cost
   d. Securities of the utility, issued to trustees without intervening sale, at face value
4. Special deposits for more than one year, such as for rent, performance of contracts, etc.

B. The records shall be so kept as to show the amount of each investment and the investment advances to each person.

C. Except as otherwise provided, the investments included in this account shall be recorded at cost at the time of acquisition. Cost does not include any amount paid for accrued interest or dividends. The utility may write down the cost of any investment in recognition of a decline in the value thereof, and if there be no reasonable prospect of substantial value it shall be written off or written down to a nominal value. Fluctuations in market value shall not be recorded but a permanent impairment in the value shall be recognized in the accounts. When investments are written off or written down the amount of the adjustment shall be charged to account 1538, Miscellaneous Income Deductions, or to account 1414, Miscellaneous Debits to Surplus, except that if a reserve has been created therefor, it shall be to such reserve account.

D. If securities with a fixed maturity date are purchased at a discount or at a premium, such discount or premium may be written off over the remaining life of the securities through periodic debits or credits to this account with concurrent credits or debits to account 1524, Interest Revenues.

Note A: Securities pledged shall be so indicated.

Note B: This account shall not include advances to or open accounts with associated companies. See account 1115, Owing by Associated Companies.

OWING BY ASSOCIATED COMPANIES

D C 1115. Owing by Associated Companies

A. This account shall include debit balances in all accounts with associated companies, and notes and drafts upon which associated companies are liable, together with interest thereon.

B. This account shall be so kept as to show for each associated company the amounts receivable on notes separately from amounts receivable on open accounts, and the due date of each item.
Note: The face amount of notes receivable from associated companies discounted or sold without releasing the utility from liability as endorser thereon, shall not be credited to this account, but to account 1221, Notes Receivable Discounted.

CURRENT AND ACCRUED ASSETS

D C 1120. Cash and Working Funds

This account shall include cash on hand and in bank and cash advanced to officers, agents, employees, and others as petty cash or working funds. Special cash deposits for payment of interest, dividends, or other special purposes shall be included in this account in separate subdivisions which shall specify the purpose for which each such special deposit is made.

Note: Deposits for more than one year shall not be charged to this account but to account 1114, Miscellaneous Investments and Special Funds.

D C 1124. Notes Receivable

This account shall include the cost of all collectible obligations in the form of notes receivable and similar evidences (except interest coupons) of money due on demand or within one year from the date of issue, which are not includible in other accounts.

Note A: Notes receivable from associated companies shall not be included herein but in account 1115, Owing by Associated Companies.

Note B: When notes receivable are discounted, sold or transferred, unless transferred without recourse, an entry shall be made debiting account 1120, or other applicable accounts, and crediting account 1221, Notes Receivable Discounted. If notes receivable are placed in a bank for collection, no entry need be made therefor in the general ledger, but a memorandum entry to state the fact shall be made in the note record.

D C 1125. Accounts Receivable

A. This account shall include amounts due on open accounts from customers for utility services (including merchandising, jobbing and contract work) and from others than customers, except amounts due from associated companies.

B. Utilities shall subdivide this account to show separately (1) amounts due from customers, (2) amounts due from officers and employees (except working fund advances which are includible in account 1120, but including amounts due for utility service), and (3) amounts due from others.

D C 1131. Materials and Supplies

A. This account shall include the cost of unissued small tools and unapplied materials and supplies (except meters). The cost shall include, when practicable, the purchase price at the point of free delivery, plus customs duties, excise and other taxes on purchases, freight, insurance, costs of inspection, special tests prior to acceptance, loading and unloading, transportation and other directly assignable charges.

B. If inward transportation charges on materials are not included as a part of the cost of the particular materials to which they relate, they shall be charged to account 1810, Stores, Shop and Laboratory Expenses, unless account 1902, Stores Expenses--Clearing, is used, in which case they shall be therein included.

C. Cash or other discounts on materials shall be deducted, when practicable, in determining the cost of the particular material, or
credited to the account to which the material is charged. Discounts which are not so handled shall be credited to account 1810, Stores, Shop and Laboratory Expenses, unless account 1902, Stores Expenses—Clearing, is used, in which case they shall be therein included.

D. Materials recovered in connection with construction, maintenance, or the retirement of property which are not intended to be reused, shall be designated as "scrap" and charged to this account at amounts which it is estimated will be realized therefrom; if they are intended to be reused, they shall be charged to this account at the average price at which like materials are carried, except that large individual items of equipment, such as purification plant equipment, shall be carried at original cost.

E. When materials are issued for use, this account shall be credited with either the actual cost of the material issued or the average cost of all items of the same kind and size, not including "scrap" material. Scrap materials shall be credited to this account when sold or otherwise disposed of at the amount at which such materials were charged into the account. Account 1250, Reserve for Depreciation of Utility Plant, shall be adjusted for the difference between the amount charged hereto and the amount received therefor if material was recovered from retirement of property, and the appropriate maintenance account shall be adjusted if such material was recovered on maintenance work.

F. Inventories of materials and supplies shall be taken at least annually and the necessary adjustments shall be made to bring this account into harmony with the actual inventories. In effecting the adjustments, differences shall be equitably apportioned among the accounts to which materials have been charged since the preceding inventory, or included in account 1810, Stores, Shop and Laboratory Expenses, unless account 1902, Stores Expenses—Clearing, is used, in which case they shall be therein included.

D C 1132. Prepayments

A. When a payment is made in advance of the period to which the expenditure applies, the amount thereof shall be charged to this account. Each month or other accounting period to which the item applies an entry shall be made crediting this account and charging the appropriate account with its proper portion of the prepayment.

B. Representative items includable herein are prepaid insurance, rents (see water plant instruction 577.6), taxes and interest. The account shall be so kept or supported as to disclose the balance of each class of prepayments.

Note: For example, an insurance premium amounting to $1200 is paid on a policy running for a year in the future. The amount of the premium shall be charged to this account, and each month or other accounting period, entries shall be made transferring from this account to the appropriate operating expense or other account the portion of the premium which is applicable to the period.

D C 1133. Miscellaneous Current and Accrued Assets

This account shall include the following classes of items:

1. Interest, dividends and rents receivable, except from associated companies

2. Estimated amounts accrued to the utility for service rendered but not billed as of the end of any accounting period (This is optional.)

3. Cash surrender value of life insurance policies under which the utility is the beneficiary (See note to account 1800, Other General
Expenses.

(4) Other assets not includible in accounts 1120 to 1132, or 1115, which are readily convertible into cash or are held for current use in operations or construction.

DEFERRED DEBITS

D C 1140. Unamortized Debt Discount and Expense

A. Discount on bonds or other debt is the excess of the face value of the securities plus interest accrued at the date of sale over the cash value of the consideration received from their sale; when the amount (or cash value of the consideration) received, exceeds the face value and accrued interest, the excess is the premium. Expenses incurred in connection with the issue are items such as fees for drafting mortgages, taxes and fees for issuing and recording, commissions or fees paid for selling bonds, cost of obtaining governmental authorization, etc.

B. When discount and expenses are incurred on an issue of long-term debt (see § 575.1, subd. (a) (7)) or when expenses on an issue are greater than the premiums on such issue, the amount thereof shall be included in this account. A separate subdivision shall be kept for each class and series of long-term debt.

C. The discount and expense (or expense less premium if a net debit) on each issue shall be written off over the life of the issue to which it applies under a plan that will equitably distribute the amounts over the life of the bonds or other long-term debt. This may be done by monthly charges to account 1531, Amortization of Debt Discount and Expense, and credits to this account. The utility may, however, charge off discount and expense (or expenses less premium if a net debit) over a shorter period by charges to account 1414, Miscellaneous Debits to Surplus.

D. When bonds or other long-term debt are reacquired, any balance included in this account representing discount and expense (or expense less premium if a net debit) on the reacquired debt shall be credited to this account and debited to account 1414, Miscellaneous Debits to Surplus. The difference between the face value of the bonds or other long-term debt and the amount for which they were reacquired shall be carried to Surplus. (See also account 1153, Reacquired Long-term Debt.)

D C 1146. Miscellaneous Deferred Debits

A. This account shall include the following classes of items:

(1) Expenditures for preliminary surveys, plans, investigations, etc., made for the purpose of determining the feasibility of projects under contemplation. If construction results, this account shall be credited with the amount applicable thereto and the appropriate water plant accounts shall be charged with an amount which does not exceed the expenditures which may reasonably be determined to contribute directly and immediately and without duplication to water plant. If the work is abandoned, the charge shall be to account 1538, Miscellaneous Income Deductions, or account 1414, Miscellaneous Debits to Surplus, unless otherwise authorized or directed by this commission.

(2) Extraordinary property losses which require abandonment or retirement of property in advance of adequate provision therefor through reserves or otherwise, such as destruction by floods, condemnation for public use, etc. When such losses are incurred the utility shall make application to this commission to prescribe the accounting therefor and shall submit all the relevant facts concerning the case.

(3) Undistributed balances in clearing accounts (see accounts 1901 to
1905) at the date of the balance sheet. Balances in clearing accounts shall be substantially cleared not later than the end of the calendar year unless items held therein relate to a future period.

(4) Balances representing expenditures for work in progress other than on utility plant. This includes jobbing and contract work in progress.

(5) Other debit balances, the proper final disposition of which is uncertain, and unusual or extraordinary expenses, not included in other accounts, which are in process of being written off.

B. The records supporting the entries to this account shall be so kept that the utility can furnish full information as to each deferred debit included herein.

CAPITAL STOCK EXPENSE

D C 1151. Capital Stock Expense

A. There shall be reported by this caption all balances in the accounts for expenses incurred in connection with the issuance and sale of capital stocks.

B. The accounts hereunder shall be so kept as to show separately the expense on each class and series of capital stocks.

C. Credits made to this account to write off capital stock expense (if the utility desires to write off such expense) shall be offset by debits to account 1414, Miscellaneous Debits to Surplus.

D. When capital stock is reacquired, this account shall be credited and account 1414, Miscellaneous Debits to Surplus, shall be charged with the amount of expenses included herein applicable to such reacquired stock.

REACQUIRED SECURITIES

D C 1152. Reacquired Capital Stock

A. This account shall include the par value of capital stock which had been issued by the utility and is reacquired by it and not retired or canceled, but is held by the utility. Stock without par value shall be included in this account at the proportionate amount at which the particular class and series of stock is included in account 1200, Common Capital Stock, or account 1201, Preferred Capital Stock.

B. The difference between the amount paid for capital stock reacquired and the amount at which such reacquired stock is charged to this account in accordance with paragraph A, above, shall be carried to account 1401, Miscellaneous Credits to Surplus, or account 1414, Miscellaneous Debits to Surplus, as appropriate, to which shall also be transferred any premium or expenses applicable to the capital stock reacquired.

C. When reacquired capital stock is retired or canceled, this account shall be credited and account 1200 or 1201, as applicable, shall be charged with the amounts at which such stock is included therein. When reacquired capital stock is resold by the utility (see section 89-f of Public Service Law), the par value (or amount included in this account for stock without par value) of the stock resold shall be credited to this account.

D. This account shall be so kept or supported as to show the amount herein applicable to each class and series of stock.

D C 1153. Reacquired Long-term Debt

A. This account shall include the par or face value of bonds or other long-term debt which had been issued or assumed by the utility and is reacquired by it and held under conditions which do not permit the utility to treat such securities as paid, retired, or canceled, but which permit the resale of the securities (see section 89-f of Public
Service Law). It shall not include securities which are held by trustees in sinking or other funds.

B. The difference between the amount paid for bonds or other long-term debt reacquired and their par or face value shall be debited or credited, as appropriate, to account 1414, Miscellaneous Debits to Surplus, or 1401, Miscellaneous Credits to Surplus, to which shall also be transferred any discount, premium or expense applicable to the reacquired bonds or other long-term debt.

C. When reacquired bonds or other long-term debt are resold by the utility (see section 89-f of Public Service Law), the par or face value thereof shall be credited to this account. When reacquired bonds or other long-term debt are retired or canceled, this account shall be credited and the appropriate long-term debt account shall be charged with the par or face value thereof.

D. This account shall be so kept or supported as to show the amount herein applicable to each class and series of long-term debt.

LIABILITIES AND OTHER CREDITS
CAPITAL STOCK

D C 1200. Common Capital Stock
D C 1201. Preferred Capital Stock

A. These accounts shall include the par value of capital stock with par value and the cash value of the consideration received for non-par stock, of each class of capital stock which has been issued and is outstanding, and also the capital stock in account 1152, Reacquired Capital Stock.

B. When the actual cash value of the consideration received is more than the par value of any stock having par value, the excess shall be credited to account 1203, Premiums and Assessments on Capital Stock.

C. When capital stock is retired and canceled, these accounts shall be charged with the amount at which such stock is carried herein.

D. A separate ledger account, with a descriptive title, shall be kept for each class and series of stock. The supporting records shall show the shares in the hands of the public and those reacquired by the company and not resold.

Note A: When a levy or assessment, except a call for payment on subscriptions, is made against holders of capital stock, the amount collected upon such levy or assessment on capital stock with par value shall be credited to account 1203, Premiums and Assessments on Capital Stock, and a levy or assessment on capital stock without par value shall be included in these accounts.

Note B: No entries, other than those covered by the above provisions and those to record liquidating dividends, shall be made in any account for non-par stocks, except upon order of this commission.

D C 1203. Premiums and Assessments on Capital Stock

A. This account shall include the excess of actual cash value of the consideration received over the par value and accrued dividends, of par value stock issued, together with assessments against stockholders representing payments required in excess of par value. (Assessments on stock without par value shall be included in account 1200 or 1201, as appropriate.)

B. A separate account shall be kept for premiums and assessments on each class and series of par stock.

C. When capital stock is reacquired or retired, the amount in this account with respect to the shares of such stock reacquired or retired
shall be debited hereto.

**D C 1205. Installments Received on Capital Stock**

A. This account shall include the amount of installments received on capital stock subscribed for on a partial or instalment payment plan.

B. As subscriptions are paid in full and certificates issued, this account shall be charged and account 1200, Common Capital Stock, account 1201, Preferred Capital Stock (if reacquired stock is resold), credited with the par value of such capital stock having par value, and with the consideration received for capital stock without par value. Premiums on capital stock with par value shall be transferred to account 1203, Premiums and Assessments on Capital Stock.

Note: The records supporting the entries to this account shall be so kept that the corporation can furnish the name and address of each subscriber, the amount and kind of capital stock subscribed, the date of subscription, the date that each is paid, the nature of each payment (whether cash or other consideration) and any other information that is necessary to make the history of the subscription complete.

**NON-CORPORATE PROPRIETORSHIP**

**D C 1206. Non-corporate Proprietorship**

This account shall include the investment in an unincorporated utility by the proprietor thereof, and shall be charged with all withdrawals from the business by its proprietor. At the end of each calendar year the net income for the year as developed in the income account shall be transferred to this account. There shall also be entered in this account such items as in corporate organizations are handled through Surplus. (See optional accounting procedure provided in note C hereunder.)

Note A: Amounts payable to the proprietor as just and reasonable compensation for services performed shall not be charged to this account but to appropriate operating expense or other accounts.

Note B: When the utility is owned by a partnership, a separate account shall be kept to show the net equity of each member therein and the transactions affecting the interest of each such partner.

Note C: This account may be restricted to the amount considered by the proprietor to be the permanent investment in the business, subject to change only by additional investment by the proprietor or the withdrawal of portions thereof not representing net income. When this option is taken the surplus accounts shall be maintained and entries thereto shall be made in accordance with the texts thereof.

**LONG-TERM DEBT**

**D C 1210 Bonds**

This account shall include the face value of unmatured bonds which have been issued and have not been retired or canceled; also the face value of such bonds issued by others the payment of which has been assumed by the utility. The account shall be so kept as to show the face value of each class and series outstanding.

Note A: The accounting for discount, expense, and premium on long-term debt, is set forth in accounts 1140, Unamortized Debt Discount and Expense, and 1240, Unamortized Premium on Debt.

Note B: Matured long-term debt shall be included in account 1225, Matured Long-term Debt.

**D C 1211. Receivers' Certificates**

A. This account shall include the face value of certificates of indebtedness issued by receivers in possession of the property and acting under the orders of a court.
B. A separate subdivision shall be kept for each issue of receivers' certificates.
Note: Matured receivers' certificates shall be included in account 1225, Matured Long-term Debt.

D C 1213. Miscellaneous Long-term Debt
A. This account shall include until maturity all notes or other obligations (except advances from associated companies) having a life of more than one year after issue or assumption. This includes such items as real estate mortgages, executed or assumed, assessments for public improvements due later than one year after date, etc.
B. Separate accounts shall be kept for each class of obligation, and records shall show separately for each class all details as to date of obligation, date of maturity, interest dates and rates, security for the obligation, etc.
Note: Matured long-term debt shall be included in account 1225, Matured Long-term Debt.

DEBTS TO ASSOCIATED COMPANIES
D C 1214. Debts to Associated Companies
This account shall include all amounts owed to associated companies on notes, drafts, acceptances or other similar evidences of indebtedness and open accounts payable, and also interest on obligations included herein, and shall be so kept as to show separately the amount payable to each associated company on (1) notes, (2) open accounts.

CURRENT AND ACCRUED LIABILITIES
D C 1220. Notes Payable
This account shall include the face value of all notes, drafts, acceptances, or other similar evidences of indebtedness to other than associated companies, payable on demand or which by their terms are payable within a time not exceeding one year from the date of issue.
D C 1221. Notes Receivable Discounted
This account shall include the face amount of notes receivable discounted or sold without releasing the utility from liability as endorser thereon.
D C 1222. Accounts Payable
This account shall include all open accounts payable by the utility within one year and which are not provided for in other accounts.
D C 1224. Dividends Declared
This account shall include the amount of dividends which have been declared but not paid. Dividends shall be credited to this account when they become a liability.
D C 1225. Matured Long-term Debt
When any debt carried in account 1210, Bonds, 1211, Receivers' Certificates, or 1213, Miscellaneous Long-term Debt, matures but is not paid or for which no specific agreement for extension of the time of payment is made, it shall be transferred to this account; bonds called for redemption but not presented, shall also be included herein.
D C 1227. Customers' Deposits
This account shall include all amounts deposited with the utility by customers as security for the payment of bills.
D C 1228. Taxes Accrued
A. This account shall be credited each month with the amount of taxes applicable thereto when payment of such taxes is to be made in a subsequent period. Concurrently, debits shall be made to the appropriate accounts for tax charges. In the absence of precise information as to
the amount of the tax the monthly credits to this account will necessarily be based upon estimates; when the actual amount of the tax becomes known, the amounts of the periodic accruals shall be adjusted so as to include as nearly as can be determined in each year the taxes applicable thereto.

B. The records supporting the entries to this account shall be so kept that the utility can furnish information as to the amount of each class of taxes accrued, the basis for each tax accrual, the accounts to which charged, and the amount of each class of taxes paid.

D C 1229. Interest Accrued

This account shall include the amount of interest accrued on long-term debt and other liabilities of the utility, except interest on debt to associated companies, which shall be included in account 1214, Debts to Associated Companies, and except interest which is added to the principal of the debt on which incurred.

Note: This account shall be so kept as to show the amount of matured interest on each obligation.

D C 1230. Other Current and Accrued Liabilities

This account shall include liabilities of a current character (those which are either matured at the date of the balance sheet or become due on demand or within one year from date of issuance or assumption except bonds, receivers' certificates, and debts to associated companies) or which have accrued but are not payable at the date of the balance sheet, other than those for which accounts 1220 to 1229 have been provided.

DEFERRED CREDITS

D C 1240. Unamortized Premium on Debt

A. This caption shall include credit balances representing the premiums less expenses, when a net credit, on each issue of long-term debt, including receivers' certificates. (See account 1140 for definitions of premium and debt expense.)

B. The net credit of the premium less expense on each issue shall be written off over the life of the issue under a plan that will equitably distribute the amounts over the life of the securities by debits to this account and credits to account 1532, Amortization of Premium on Debt--Credit.

C. When bonds or other long-term debt are reacquired, any balance included in this account representing premium (less expense) on the debt shall be wiped out by a debit to this account and a credit to account 1401, Miscellaneous Credits to Surplus. (See also account 1153, Reacquired Long-term Debt.)

D C 1241. Customer Advances for Construction

A. This account shall include such advances by customers for construction as are to be refunded wholly or in part. When a customer is refunded the entire amount to which he is entitled according to the agreement or rule under which the advance was made, the balance, if any, remaining in this account shall be debited hereto and credited to the water plant accounts to which the cost of the property was charged.

B. In each accounting period (see general instruction ñ 576.3), this account shall be charged and account 1615.2, Miscellaneous Water Revenues, credited with amounts deductible for depreciation on property for which the advances were made to the extent that the liability of the utility to make refunds is reduced because of such depreciation on the property.

C. Separate subdivisions shall be kept for each utility service.
D C 1242. Other Deferred Credits
This account shall include advanced billings and receipts and other deferred credit items not provided for elsewhere; also amounts which can not be entirely cleared or disposed of until additional information has been received, or which should be credited to income or to surplus accounts in the future.

RESERVES

D C 1250. Reserve for Depreciation of Utility Plant
A. This account shall be credited with the following:
   (1) Amounts representing currently accruing depreciation on utility plant (See general instruction § 576.8.)
   (2) Amounts charged to account 1414, Miscellaneous Debits to Surplus, for past accrued depreciation of utility plant
   (3) Accrued depreciation upon utility properties acquired as operating units or systems
   (4) Amounts charged upon approval of the commission to account 1146, Miscellaneous Deferred Debits
B. Class D C utilities shall subdivide this account as follows:
   C 1250.1 Reserve for Depreciation of Water Plant in Service
   C 1250.2 Reserve for Depreciation of Water Plant Leased to Others
   C 1250.4 Reserve for Depreciation of Water Plant Held for Future Use
   C 1250.6 Reserve for Depreciation of Unclassified Water Plant
   C 1250.8 Reserve for Depreciation of Other Utility Plant
C. Class C utilities shall keep further subdivisions of the foregoing accounts to show the amounts applicable to each water plant account (1302-1336); and also subdivisions for "common" plant.
D. This account shall be charged with the amount carried on the books for plant retired (except items in account 1301, Organization) and with the cost of removal, and shall be credited with the salvage realized and any other amounts recovered, such as insurance. (See also item 2 of account 1146, Miscellaneous Deferred Debits.)
E. The reserves shall be so kept as to show separately for each subdivision (1) the amount of the accrual for depreciation, (2) the amount at which property retired was carried on the books, (3) cost of removal, (4) salvage, and (5) other items, including recoveries from insurance.

Note: The utility is restricted in its use of the reserve to the purposes set forth above. It shall not divert any portion of the reserve to Surplus or make any other use thereof without the approval of this commission.

D C 1252. Reserve for Amortization of Water Plant Acquisition Adjustments
This account shall be credited (or debited) with amounts which are charged (or credited) to account 1505, Amortization of Water Plant Acquisition Adjustments, to account 1538, Miscellaneous Income Deductions, or to Surplus, for the purpose of providing for the extinguishment of amounts carried in account 1105, Water Plant Acquisition Adjustments.

D C 1254. Reserve for Uncollectible Accounts
This account shall be credited each month with estimated amounts required to provide for losses on accounts receivable which may become uncollectible, and also with collections on accounts previously charged hereto. Concurrent charges shall be made to account 1783, Uncollectible Accounts, for amounts applicable to water operations, and to
corresponding accounts for other operations.

Note: Accretions to this reserve shall not be made in excess of a reasonable provision against losses of the character provided for.

D C 1255. Reserve for Insurance, Injuries and Damages
A. This account shall be credited, and account 1798, Insurance, Injuries and Damages, or other appropriate account, charged each month with amounts which the utility estimates are required for self-insurance against losses through accident, fire, flood, or other hazards to its own property or property leased from others, and for probable liability, not covered by insurance, for deaths or injuries to employees and others, and for damages to property not owned or held under lease. A schedule of risks covered by this reserve shall be maintained, giving a description of the property involved, the risks covered, and the rates used.

Charges shall be made to this account for:
(1) Losses to property owned or leased from others, covered by self-insurance
(2) Liability for any injury or damage which is admitted by the utility either voluntarily or because of the decision of a court or other lawful authority, such as a workmen's compensation board; the amount of the liability pending its payment shall be credited to the appropriate liability account

Note A: Accretions to this reserve shall not be made in excess of a reasonable provision against losses of the character provided for.
Note B: Recoveries or reimbursements for losses charged to this account shall be credited hereto.

D C 1258. Miscellaneous Reserves
A. This account shall include all reserves which are not provided for elsewhere in this system of accounts, such as reserves for pensions, accident and death benefits, relief or other provident purposes, etc., and for depreciation of property carried in account 1110, Other Physical Property.
B. This account shall be so kept as to show the amount of each separate reserve and the nature and amounts of the debits and credits hereto.

D C 1265. Contributions in Aid of Construction
A. This account shall include those contributions for construction purposes made prior to January 1, 1947 in cash, services of property by states, municipalities or other governmental agencies, individuals and others which have not been transferred to other accounts.
B. Amounts in this account at December 31, 1946 which are refundable wholly or in part shall be transferred to account 1241, Customer Advances for Construction. Unless otherwise ordered by the commission, non-refundable amounts in this account at December 31, 1946 which can be identified with property in water plant accounts shall be transferred to the appropriate accounts. Amounts not identified with property in water plant accounts may be distributed to water plant accounts under a plan approved by the commission; otherwise the amounts remain in this account. Except as provided herein, amounts in this account shall not be transferred to any other account without the approval of the commission.
C. The records supporting the entries to this account shall be so kept that the utility can furnish information as to the purpose of each contribution, the conditions, if any, upon which it was made, and the amount of contributions from (a) states, (b) municipalities, (c)
customers, and (d) others.

D. This account shall be subdivided according to departments (water, electric, steam, etc.) of the utility.

SURPLUS

D C 1271. Surplus
This account shall include the total of balances of accounts 1400 to 1414. The balance may be either a credit or a debit.

WATER PLANT ACCOUNTS

C 1301. Organization
C 1302. Franchises and Consents
C 1303. Miscellaneous Intangible Plant
D 1311. Land
C 1311.1 Source of Supply Land and Water Rights
C 1311.2 Power, Pumping and Purification Land
C 1311.5 Transmission and Distribution Land
C 1311.9 General Land
C 1312. Structures
C 1312.1 Source of Supply Structures
C 1312.2 Power and Pumping Structures and Purification Buildings
C 1312.5 Distribution Reservoirs and Standpipes
C 1312.9 General Structures
D C 1315. Power and Pumping Equipment
D C 1320. Purification System
D C 1321. Mains
D C 1323. Services
D C 1324. Meters
D C 1325. Meter installations
D C 1326. Fire Protection Plant
C 1326.1 Hydrants
C 1326.2 Fire Mains
C 1326.3 Other Fire Protection Plant
D C 1327. Fountains and Basins
D C 1328. Office Furniture and Equipment
D C 1329. Transportation Equipment
D C 1335. Other General Equipment
D C 1336. Other Tangible Property

INTANGIBLE PLANT

D C 1301. Organization
This account shall include fees paid to federal or State governments for the privilege of incorporation and expenditures for organizing the corporation, partnership or other enterprise and putting it into readiness to do business.

ITEMS

(1) Cost of obtaining certificates authorizing an enterprise to engage in the public utility business (except costs includible in account 1302)
(2) Fees and expenses for incorporation
(3) Fees and expenses for mergers or consolidations
(4) Office expenses incident to organizing the utility
(5) Stock and minute books and corporate seal

Note A: This account shall not include any discounts upon securities issued or assumed; nor shall it include any costs incident to negotiating loans, selling bonds or other evidences of debt, or expenses in connection with the authorization, issuance, or sale of capital stock.
Note B: Exclude from this account and include in the appropriate expense account the cost of preparing and filing papers in connection with the extension of the term of incorporation unless the first organization costs have been written off. When charges are made to this account for expenses incurred in mergers, consolidations, or reorganizations, amounts previously carried on the books of the corporations merged, consolidated, or reorganized shall not be included in this account.

D C 1302. Franchises and Consents
A. This account shall include only amounts paid to the federal government, to a state or to a political subdivision thereof in consideration for franchises, consents, or certificates, running in perpetuity or for a specified term of more than one year.
B. If a franchise, consent, or certificate is acquired by assignment, the charge to this account in respect thereof shall not exceed the amount paid therefor by the utility to the assignor, nor shall it exceed the amount paid by the original grantee. Any excess of the amount actually paid by the utility over the amount above specified shall be charged to account 1414, Miscellaneous Debits to Surplus.
C. When any franchise has expired, the amount included therefor in this account shall be credited hereto.
Note: Annual or other periodic payments under franchises shall not be included herein but in the appropriate operating expense account.

D C 1303. Miscellaneous Intangible Plant
A. This account shall include the cost of patent rights, licenses, privileges, and other intangible property necessary or valuable in the conduct of the utility's water operations and not specifically chargeable to any other account.
B. When any item included in this account is retired or expires, the amount included herein for the item shall be credited hereto.
C. This account shall be so kept that the utility can furnish full information with respect to the amounts included herein.
Note: Expenses incident to procuring franchises, consents, or certificates shall not be included herein.

TANGIBLE PLANT

D 1311. Land
A. This account shall include the cost, including the amounts of mortgages or other liens assumed, of land owned in fee by the utility and rights, interests, and privileges held by the utility in land owned by others, such as leaseholds, easements, rights of way, water rights (including water diversion rights, riparian rights, flowage rights, pondage rights, submersion rights), and other like interests in land having a life of more than one year.
B. The cost of buildings and other improvements (other than public improvements) shall not be included in this account. If at the time of acquisition of an interest in land such interest extends to buildings or other improvements (other than public improvements), which are then devoted to water operations, the land and improvements shall be separately appraised and the cost allocated to land and buildings or improvements on the basis of the appraisals. If the improvements are removed or wrecked without being used in water operations, the cost thereof and the cost of removing or wrecking shall be charged and the salvage credited to this account.
C. The net profit from the sale of timber, cordwood, or other property
acquired with rights of way or other lands shall be credited to this account. The proceeds from the sale of trees or the products thereof planted on land carried in this account, shall be credited to account 1615.2, Miscellaneous Water Revenues, and the cost of harvesting, carting and marketing them shall be charged thereto.

D. Separate entries shall be made for the acquisition, transfer, or retirement of each parcel of land and each land right. Entries transferring or retiring land or land rights shall refer to the original entry recording its acquisition. A record shall be maintained showing the nature of ownership, full legal description, area, map reference, purpose for which used, city, county, and tax district in which situated, from whom purchased or to whom sold, payment given or received, other costs, contract date and number, date of recording deed, book and page of record.

E. Class C utilities shall subdivide this account as shown below. Land used for more than one purpose shall be classified under the subdivision of this account indicative of its principal use.

C 1311.1 Source of Supply Land and Water Rights
C 1311.2 Power, Pumping and Purification Land
C 1311.5 Transmission and Distribution Land
C 1311.9 General Land

ITEMS
(1) Clearing (first cost) the land of brush, trees and debris
(2) Condemnation proceedings, including court and counsel costs
(3) Consents and abutting damages, payment for
(4) Conveyancers' and notaries' fees
(5) Cost of acquisition including mortgages and other liens assumed (but not interest thereon after the property is placed in service)
(6) Dredging and channel or bank improvements
(7) Easements and rights of way, cost of, and expenses of acquisition
(8) Fees, commissions, and salaries to brokers, agents and others in connection with the acquisition of the land or land rights
(9) Forestation or trees, first planting (See paragraph C.)
(10) Grading the land, except when directly occasioned by the building of a structure
(11) Leases, cost of voiding upon purchase to secure possession of land
(12) Leases having a life of more than one year, cost of, and expenses incidental to acquiring
(13) Removing, relocating, or reconstructing property of others, such as buildings, highways, railroads, bridges, cemeteries, etc.
(14) Rights of way, including costs of locating
(15) Special assessments levied by public authorities for public improvements on the basis of benefits for new roads, new bridges, new sewers, new curbing, new pavements, and other public improvements, but not taxes levied to provide for the maintenance of such improvements
(16) Surveys in connection with the acquisition
(17) Taxes assumed, accrued to date of transfer of title
(18) Title, examining, clearing, insuring, and registering in connection with the acquisition, and defending against claims relating to the period prior to the acquisition
(19) Water pollution, eliminating causes of

Note A: When special assessments for public improvements provide for deferred payments, the full amount of the assessments shall be charged
to this account and the unpaid balance shall be carried in an appropriate liability account. Interest on unpaid balances shall be charged to the appropriate interest account. If any part of the cost of public improvements is included in the general tax levy, the amount thereof shall be charged to the appropriate tax account.

Note B: When the purchase of land for water operations requires the purchase of land not to be used for such purposes, the charge to this account shall be based upon the cost of the land purchased, less the fair market value of that portion of the land which is not to be used for water operations. The fair market value of such land not to be used for water operations shall be included in account 1110, Other Physical Property.

D 1312. Structures
A. This account shall include the cost in place of structures used in water operations. This includes all permanent constructions for impounding, collecting and storing water, and structures, buildings (including purification buildings) and shelters to house, support, or safeguard property or persons, with all appurtenant fixtures permanently attached thereto; improvements to land and other structures or constructions not specifically provided for elsewhere.

B. This account shall be subdivided as shown below, and utilities shall keep their records so as to show separately the cost of each structure included in this account. Structures used for more than one purpose shall be classified under the subdivision of this account indicative of their principal use.

C 1312.1 Source of Supply Structures, such as:
(1) Collecting and Impounding Reservoirs
(2) Lake and River Intakes
(3) Gravity Intakes and Suction Pipes
(4) Springs and Wells
(5) Infiltration Galleries and Tunnels
(6) Other Water Source Structures

C 1312.2 Power and Pumping Structures and Purification Buildings

C 1312.5 Distribution Reservoirs and Standpipes

C 1312.9 General Structures

ITEMS
(1) Aerators
(2) Attendants' dwellings
(3) Boat houses
(4) Buildings (miscellaneous) on water shed
(5) Collecting basins
(6) Dams
(7) Fences
(8) Gate houses and equipment
(9) Infiltration galleries
(10) Intake pipes
(11) Intakes
(12) Office buildings
(13) Power and pumping structures
(14) Purification buildings, including substructures, if not part of the purification system
(15) Reservoirs
(16) Roads and paths
(17) Sanitary structures
(18) Screens and racks
(19) Shop, garage and stores buildings
(20) Spillways and channels
(21) Spring or well structures (pumps shall be included in account 1315)
(22) Standpipes
(23) Surface drains
(24) Tanks
(25) Towers
(26) Any applicable item shown in "Item List for Buildings" listed below

ITEM LIST FOR BUILDINGS

(1) Architects' plans
(2) Ash pits
(3) Awnings
(4) Boilers, furnaces, piping, wiring, fixtures, and machinery for heating, lighting, signaling, ventilating, and plumbing
(5) Bridges and culverts
(6) Bulkheads including dredging, riprap fill, piling, decking, concrete, fenders, etc., when exposed and subject to maintenance and replacement
(7) Chimneys
(8) Clearing land for structures included herein
(9) Coal bins and bunkers
(10) Commissions and fees to brokers, agents, architects and others
(11) Conduit
(12) Damages to abutting property during construction
(13) Door checks and door stops
(14) Drainage and sewerage systems
(15) Elevators, cranes, hoists, etc., and the machinery for operating them, when not specifically provided for in other accounts
(16) Excavation, including shoring, bracing, bridging, refill, and disposal of excess excavated material
(17) Fences and hedges
(18) Fire protection systems when forming a part of a structure
(19) Floor covering (permanently attached)
(20) Foundations and piers for machinery, constructed as a permanent part of a building or other item listed herein
(21) Grading when directly occasioned by the building of a structure
(22) Leases, voiding, upon purchase, to secure possession of structures
(23) Leased property, expenditures on (See water plant instruction 577.6.)
(24) Monuments and bench marks
(25) Outside lighting systems
(26) Painting, first
(27) Partitions, including movable
(28) Permits and privileges
(29) Platforms, railings, and gratings when constructed as part of structure
(30) Power boards for services to a building
(31) Railroad sidings for general use
(32) Refrigerating systems for general use
(33) Retaining walls
(34) Roads
(35) Scales, connected to and forming part of the structure
(36) Screens
(37) Sidewalks, pavements, and driveways on building grounds
(38) Sprinkling systems
(39) Stacks--brick, steel, or concrete, when set on foundations
forming part of general foundation and steelwork of a building
(40) Storage facilities constituting part of a building
(41) Storm doors and windows
(42) Subways, areaways, and tunnels directly connected to and forming
part of general foundation and steelwork of a building
(43) Tanks, constructed as part of a building, when not includible in
another account
(44) Tunnels, intake and discharge, when constructed as part of a
structure
(45) Vaults constructed as part of a building
(46) Water supply system for a building
(47) Wharves
(48) Window shades and ventilators

Note A: The cost of specially provided foundations not expected to
outlast machinery or apparatus for which they are provided and the cost
of angle irons, castings, etc., installed at the base of an item of
equipment shall be charged to the same account as the cost of the
machinery, apparatus, or equipment.

Note B: The cost of additions and betterments, including initial
improvements to leased structures shall be accounted for as provided in
water plant instruction section 577.6.

Note C: Minor buildings and structures, such as valve towers,
patrolmen's towers, telephone stations, etc., which are used directly in
connection with or form a part of a reservoir, dam, waterway, etc. shall
be considered a part of the facility in connection with which
constructed or operated and the cost thereof shall be accounted for
accordingly.

Note D: The cost of disposing of material excavated in connection with
construction shall be considered as a part of the cost of such work,
except as follows: (a) When such material is used for filling, the cost
of loading, hauling and dumping shall be equitably apportioned between
the work in connection with which the removal occurs and the work in
connection with which the material is used; (b) when such material is
sold, the net amount realized from such sales shall be credited to the
work in connection with which the removal occurs. If the amount realized
from the sale of excavated materials exceeds the removal costs and the
costs in connection with the sale, the excess shall be credited to the
land account in which the site is carried.

Note E: Where the structure of a dam forms also the foundation of a
building, such foundation shall be considered a part of the dam.

D C 1315. Power and Pumping Equipment
This account shall include the cost installed of equipment used in the
production of steam or other power, principally for use in pumping
water, and the pumping plant equipment driven thereby.

ITEMS

(1) Steam power and pumping equipment, such as furnaces, boilers,
steam and feed water piping, boiler apparatus and accessories, pumps and
other pumping equipment, including auxiliary power and pumping equipment
(2) Other power and pumping plant equipment, such as:
   (a) Electric power equipment, and pumping equipment driven thereby
   (b) Diesel or other oil engines and pumping plant equipment driven thereby
   (c) Hydraulic power equipment and pumping plant equipment driven thereby
   (d) Gasoline or gas engines and pumping plant equipment driven thereby
   (e) Other types of pumping plant equipment

Note A: This account shall not include boilers or steam pipes whose primary purpose is the heating of structures.
Note B: Include office furniture and equipment, desks, chairs, etc., in account 1328, Office Furniture and Equipment.

D C 1320. Purification System
This account shall include the cost in place of structures, apparatus, and equipment used for the purification of water.

Note: Protecting superstructures shall be included in account 1312.2, Power and Pumping Structures and Purification Buildings.

ITEMS
(1) Aerators (except when located at reservoir)
(2) Chlorine machines and other chemical treating plant
(3) Clear water basins
(4) Filter plants
(5) Mixing tanks
(6) Sedimentation or coagulation basins
(7) Softening plants (lime-soda)
(8) Softening plants (zeolite)

D C 1321. Mains
A. This account shall include the cost installed of transmission and distribution mains, pipes or canals, and also meters and appurtenances on transmission and distribution lines, but not meters and appurtenances located on customers' premises.

ITEMS
(1) Air chambers
(2) Blowoffs and overflows
(3) Bridges and culverts
(4) Canals
(5) Fences
(6) Gates, gate houses, and chambers
(7) Gauges and recorders
(8) Jointing and jointing material
(9) Manholes
(10) Meters and meter houses
(11) Municipal inspection or permits
(12) Pavement disturbed, including cutting and replacing pavement, pavement base, and sidewalks
(13) Pipes, aqueducts, or conduits
(14) Placing mains and accessories
(15) Pressure regulators
(16) Protection of street openings
(17) Shutoffs
(18) Special castings
(19) Surge tanks
(20) Trenching, including shoring, bracing, bridging, pumping, backfill, and disposal of excess excavated material
(21) Tunnels
(22) Valves and appurtenances
(23) Valve vaults

Note: The cost of cutting and replacing pavement, pavement base, and sidewalks disturbed in laying mains shall be included in a separate subdivision of this account.

D C 1323. Services

A. This account shall include the cost installed of service pipes and accessories in, or leading to, the customer's premises when the utility actually incurs such cost for which it has not been reimbursed. This includes the cost of stub services run in anticipation of future service.

B. Records shall be maintained to show separately the number, diameter, and material of services through which water is being delivered; services to which customers have been connected but through which water is not being delivered; and services through which water has not yet been delivered.

C. Services which have been used but have become inactive shall be retired immediately if there is no prospect of reuse, and, in any event, shall be retired by the end of the year following that during which the service became inactive unless reused in the interim.

D. When a service previously retired in accordance with paragraph C is reused, the amount previously credited to this account on retirement shall be charged hereto and concurrently credited to account 1250, Reserve for Depreciation of Utility Plant.

ITEMS

(1) Corporation cocks
(2) Gate valves and boxes
(3) Goose necks
(4) Jointing and pointing material
(5) Municipal inspection
(6) Pavement disturbed, including cutting and replacing pavement, pavement base, and sidewalks
(7) Permits
(8) Pipes
(9) Placing pipes and accessories
(10) Protection of street openings
(11) Service boxes
(12) Service cocks
(13) Tapping main

Note B: The cost of cutting and replacing pavement, pavement base, and sidewalks disturbed in laying service pipes and accessories shall be included in a separate subdivision of this account.

D C 1324. Meters

A. This account shall include the cost delivered of meters or devices and appurtenances thereto, for use in measuring water delivered to users thereof, 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.

C. The records of meters shall be so kept as to show the number of the various types and capacities in service and in reserve and the location of each meter owned.

ITEMS

(1) Meters, including badging and initial testing
(2) Meter coupling
Note: This account shall not include meters on the transmission or
distribution lines. It includes only those meters to record water
delivered to customers.

D C 1325. Meter Installations
A. This account shall include the cost of labor employed, materials
used and expenses incurred in connection with the first installation at
a location of meters, devices and appurtenances thereto included in
account 1324, Meters.
B. Except as modified by paragraph C, following, when a meter
installation is permanently retired from service, the cost thereof
included herein shall be credited to this account.
C. Meter installations in excess of the number of meters installed,
both active and inactive, shall be retired immediately if there is no
prospect of reuse, and in any event shall be retired by the end of the
year following that during which the meter was removed unless reused in
the interim.
D. When a meter installation previously retired in accordance with
paragraph C is reused, the amount previously credited to this account on
retirement shall be charged hereto and concurrently credited to account
1250, Reserve for Depreciation of Utility Plant. Any installation costs
incurred at the time of reuse shall be charged to account 1753, Meter
Maintenance Labor.

ITEMS
(1) Cocks
(2) Installation, labor of, first installation at a location
(3) Meter bars
(4) Meter fittings and connections, shelves and other materials used
in installation
(5) Meter vaults and boxes
(6) Swivels and bushings
(7) Transportation from point of storage to location of installation
(8) Yokes
Note A: The utility shall keep statistical records to show the total
number of installations subdivided between those in service and those
not in service, and further subdivided to show the number of meter
installations the cost of which is included herein, and the number of
meter installations which prior to the effective date of this system of
accounts was charged to operating expenses.
Note B: The cost of removing and resetting meters shall be charged to
account 1753, Meter Maintenance Labor.
Note C: Charges made to customers for connection, disconnection or
reconnection of meters, shall be credited to account 1615.2,
Miscellaneous Water Revenues.
Note D: Minor items such as meter bars and other attachments shall be
included in this account only when in service or associated with a meter
held in reserve; otherwise they shall be carried in account 1131,
Materials and Supplies.

D 1326. Fire Protection Plant
A. This account shall include the cost in place of hydrants, fire
cisterns and basins in service owned by the utility, including
connection to the main. This account shall also include the cost of
mains and appurtenances used exclusively for fire protection.
B. This account shall be subdivided by Class C utilities as follows:
C 1326.1 Hydrants
C 1326.2 Fire Mains
C 1326.3 Other Fire Protection Plant

ITEMS

(1) Basins
(2) Cisterns
(3) Connections to main, cistern, or basin
(4) Gate valve
(5) Hydrants and fittings
(6) Pavement disturbed, cutting and replacing pavement, pavement base, and sidewalks
(7) Pipe and specials
(8) Tapping sleeve and tapping valve
(9) Tee
(10) Trenching, backfill, and disposal of excess excavated material
(11) Valve box
(12) For items in fire mains, see list under account 1321, Mains

Note A: A statistical record shall be kept to show the number, size (nominal diameter of bottom connection), number and size of hose connections, diameter of hydrant branch and main to which attached, type, and cost of hydrants located in each city, village, town, or water supply district, divided as follows:
(1) Public use--owned
(2) Private use--owned
(3) Not owned
A record shall also be kept of the number of cisterns and basins.

Note B: The cost of cutting and replacing pavement, pavement base, and sidewalks disturbed in placing hydrants, fire mains, and connections to mains shall be included in a separate subdivision of this account.

D C 1327. Fountains and Basins
This account shall include the cost in place of fountains, basins, troughs, pools, etc., owned by the utility, except such as are includible in account 1326.3, Other Fire Protection Plant

ITEMS

(1) Connections to main
(2) Excavation, backfill, and disposal of excess excavated material
(3) Fountains, basins, troughs, pools, etc.
(4) Pavement disturbed, cutting and replacing pavement, pavement base and sidewalks
(5) Piping
(6) Valves and valve boxes

Note: The cost of cutting and replacing pavement, pavement base, and sidewalks disturbed shall be included in a separate subdivision of this account.

D C 1328. 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 water service, and not permanently attached to buildings. Articles of slight value or short service life acquired subsequent to the commencement of operations shall be charged to the appropriate operating expense account and not to this account.

B. If the utility has equipment includible in this account at more than one location, separate records shall be maintained for each location.
ITEMS

(1) Book cases and shelves
(2) Desks, chairs, and desk equipment
(3) Drafting room equipment
(4) Filing, storage, and other cabinets
(5) Flooring covering
(6) Library and library equipment
(7) Mechanical office equipment such as accounting machines, typewriters, etc.
(8) Safes
(9) Tables

D C 1329. Transportation Equipment
A. This account shall include the cost of transportation and garage equipment when such equipment is not an integral part of the housing structure. This account shall be subdivided as follows:
   1329.1 Vehicles
   1329.2 Garage and Repair Equipment
B. If the utility has garage equipment at more than one location, separate records shall be maintained for each location.

ITEMS

(1) Airplanes and other aviation equipment
(2) Automobile repair shop equipment
(3) Automobiles
(4) Battery charging equipment
(5) Bicycles
(6) Drays
(7) Electric vehicles
(8) Gasoline and oil pumps (portable)
(9) Gasoline storage tanks
(10) Greasing tools and equipment
(11) Horses, wagons and harness
(12) Horseshoeing equipment
(12a) Marine equipment
(13) Motor trucks
(14) Motorcycles
(15) Oil storage tanks
(16) Repair cars or trucks
(17) Tractors
(18) Trailers
(19) Trucks
(19a) Tugs
(20) Other garage or stable equipment

Note: Office furniture and equipment shall be included in account 1328, Office Furniture and Equipment.

D C 1335. Other General Equipment
This account shall include the cost installed of the following equipment:
1. Equipment used for the receiving, shipping, handling and storage of materials and supplies when not an integral part of the housing structure
2. Equipment specially provided for general shops when such equipment is not an integral part of the housing structure
3. Laboratory equipment used for general laboratory purposes and not specially provided for or includible in other departmental or functional
plant accounts
4. Tools, implements, and equipment used in construction or repair work exclusive of equipment includible in other equipment accounts
5. Other general equipment, apparatus, etc., used in the utility's water operations, and which is not includible in any other account
   Note A: General equipment of the nature indicated above whenever practicable shall be assigned to the water plant accounts on a functional basis. Thus to illustrate, laboratory equipment used at the purification plant only, shall be included in account 1320, Purification System.
   Note B: Office furniture and equipment shall be included in account 1328, Office Furniture and Equipment.
D C 1336. Other Tangible Property
   A. This account shall include the cost of tangible water 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 so kept as to show separately the cost of each major item.
SURPLUS ACCOUNTS
Note: Total of surplus accounts to be carried as balance sheet account 1271.
CREDITS
D C 1400. Credit Balance Transferred from Income Account
D C 1401. Miscellaneous Credits to Surplus
DEBITS
D C 1410. Debit Balance Transferred from Income Account
D C 1411. Dividend Appropriations--Preferred Stock
D C 1412. Dividend Appropriations--Common Stock
D C 1413. Miscellaneous Reservations of Surplus
D C 1414. Miscellaneous Debits to Surplus
CREDITS
D C 1400. Credit Balance Transferred from Income Account
This account shall include the net credit balance transferred from the income account for the year.
D C 1401. Miscellaneous Credits to Surplus
   A. This account shall include all credits affecting the surplus or deficit not provided for elsewhere. Among the items which shall be credited to this account are:
      (1) Credits for amounts previously written off through charges to surplus
      (2) Delayed income, operating revenue, and operating expense credits as provided in general instruction section 576.4
      (3) Profits on reacquirement of the utility's securities (See accounts 1152 and 1153.)
      (4) Surplus arising from donations by stockholders of the utility's capital stock
      (5) Surplus arising from a reduction of the par value of the utility's capital stock
      (6) Surplus arising from forgiveness of debt of the utility
   B. All items included in this account shall be sufficiently described in the entries relating thereto as to identify them with all accounts affected, and if the credits relate to prior years, the amount applicable to each year shall be shown.
DEBITS

D C 1410. Debit Balance Transferred from Income Account
This account shall include the net debit balance transferred from the income account for the year.

D C 1411. Dividend Appropriations--Preferred Stock
D C 1412. Dividend Appropriations--Common Stock
A. These accounts shall include amounts declared payable out of surplus or earnings as dividends on outstanding capital stock issued by the utility.
B. Dividends shall be segregated as to those payable in cash and otherwise. If not payable in cash, the medium of payment shall be described with sufficient particularity to identify it.
C. This account shall be so kept or supported as to show separately the dividends on each class and series of stock.

D C 1413. Miscellaneous Reservations of Surplus
A. This account shall include the reservations or appropriations of surplus for purposes not provided for elsewhere in this system of accounts.
B. The entries to this account shall show the nature of each reservation of surplus.

D C 1414. Miscellaneous Debits to Surplus
A. This account shall include amounts chargeable to surplus not provided for elsewhere. Among the items which shall be charged hereto are:
   (1) Amounts charged to surplus to cover past accrued depreciation and amortization not provided for
   (2) Decline in value of investments (See account 1114)
   (3) Delayed income, operating revenue, and operating expense debits as provided in general instruction section 576.4
   (4) Payments of amounts previously credited to surplus
   (5) Losses on reacquisition of the utility's securities (See accounts 1152 and 1153)
   (6) Losses which are not properly chargeable to operating expenses or income and for which reserves have not been provided
B. All items included in this account shall be sufficiently described in the entries relating thereto as to identify them with all accounts affected, and if the charges relate to prior years, the amount applicable to each year shall be shown.

INCOME ACCOUNTS

UTILITY OPERATING INCOME
WATER OPERATING INCOME

Operating Revenue
D C 1501. Operating Revenues (subdivided into accounts 1601-1615.2)
Operating Revenue Deductions
D C 1502. Operation and Maintenance (subdivided into accounts 1700-1811)
D C 1503. Depreciation
Total Operating Expenses
D C 1505. Amortization of Water Plant Acquisition Adjustments
D C 1506. Property Losses Chargeable to Operations
D C 1507. Operating Taxes
   Total Operating Revenue Deductions
   Net Operating Revenues
D C 1508. Income from Water Plant Leased to Others
Water Operating Income

OTHER UTILITY OPERATING INCOME

D C 1509. Other Utility Operating Income

Total Utility Operating Income

OTHER INCOME

D C 1521. Income from Non-utility Operations
D C 1523. Dividend Revenues
D C 1524. Interest Revenues
D C 1526. Miscellaneous Non-operating income

Total Other Income
Gross Income

INCOME DEDUCTIONS

D C 1530. Interest on Long-term Debt
D C 1531. Amortization of Debt Discount and Expense
D C 1532. Amortization of Premium on Debt--Credit
D C 1534. Interest on Debt to Associated Companies
D C 1535. Other Interest Charges
D C 1536. Interest Charged to Construction--Credit
D C 1538. Miscellaneous Income Deductions
D C 1539. Income Taxes

Total Income Deductions
Net Income

DISPOSITION OF NET INCOME

D C 1540. Miscellaneous Reservations of Net Income
Balance Transferred to Surplus

UTILITY OPERATING INCOME

Note: The income accounts (1501 to 1540) are designed to show for each month and each calendar year the operating revenues and expenses, the other income, the income deductions, the net income, the miscellaneous reservations of net income and the amount of income or loss remaining for transfer of surplus.

D C 1501. Operating Revenues
Under this caption shall be included the total operating revenues credited to the revenue accounts 1601-1615.2, derived by the utility from its water operations during the period covered by the income account.

D C 1502. Operation and Maintenance
Under this caption shall be included the total expenses shown in accounts 1700-1811, incurred by the utility in its water operations during the period covered by the income account.

D C 1503. Depreciation
A. This account shall include the depreciation expense applicable to water operations, on plant carried in accounts 1101 and 1106 for the period covered by the income account, except such depreciation expense as is charged to clearing accounts or to construction work in progress.
B. Class C utilities shall keep supporting records to show the amount of depreciation charges applicable to each work plant account.

D C 1505. Amortization of Water Plant Acquisition Adjustments
This account shall be debited or credited, as the case may be, with amounts which the commission shall have determined are includible in operating revenue deductions for the purpose of providing for the extinguishment of the amount in account 1105, Water Plant Acquisition Adjustments. Account 1252, Reserve for Amortization of Water Plant Acquisition Adjustments, shall be concurrently credited or debited.
D C 1506. Property Losses Chargeable to Operations
This account shall be charged with amounts credited to account 1146, Miscellaneous Deferred Debits, when the commission has authorized an extraordinary loss included in the latter account to be written off by charges to operations.

D C 1507. Operating Taxes
A. This account shall include the amount of federal, State, county, municipal and other taxes, including payroll taxes (but excluding taxes on net income, excess profits, undivided profits, excess dividends, or capital stock) which are properly chargeable to water operations, and except taxes includable in account 1615.1, Merchandise and Jobbing, or in clearing accounts. (See account 1228, Taxes Accrued.)
B. This account shall be charged each month with the amount of taxes which are applicable thereto, and concurrent credits shall be made to account 1228, Taxes Accrued. (See also account 1132, Prepayments.)
C. Taxes assumed by the utility on property leased from others for use in water operations shall be considered as additional rent and so charged.
D. This account shall be kept as to show the amount of each kind of tax, and the basis upon which each charge is made.
Note: The following items shall not be charged to this account but shall be treated as specified below:
(1) Gasoline or other sales taxes shall be added to the cost of the materials on which levied
(2) Taxes chargeable to other utility operations shall be assigned to such operations; taxes applicable to non-utility operations shall be charged to account 1521, Income from Non-utility Operations
(3) Annual or more frequent payments under the terms of franchises, shall be included in account 1805, Franchise Requirements
(4) Special assessments for street and similar improvements shall be included in the water plant account in which the property with which the taxes are identified is included.
(5) Taxes applicable to water construction shall be charged to account 1103, Construction Work in Progress; taxes on labor charged to cost of removal shall be charged to account 1250, Reserve for Depreciation of Utility Plant
(6) Taxes on net income, excess profits, undivided profits, excess dividends, or capital stock, shall be charged to account 1539, Income Taxes

D C 1508. Income from Water Plant Leased to Others
A. This account shall include all rental income from water property leased by the utility to others, and which property is included in account 1102, Water Plant Leased to Others.
B. This account shall be subdivided as follows:
   1508.1 Revenues from Water Plant Leased to Others
   1508.2 Expenses of Water Plant Leased to Others
C. This account shall be so kept or supported as to show separately the following for each lease:
   (1) Rentals
   (2) Expenses
   (3) Depreciation
   (4) Taxes
   (5) Uncollectible rents

D C 1509. Other Utility Operating Income
Under this caption shall be included (1) the revenues derived from and (2) operation and maintenance, depreciation, rents and taxes incurred in the operation of utility plant, the book cost of which is included in account 1108, Other Utility Plant.

Note: In the case of utility services for which systems of accounts are prescribed by this commission, such as electric, gas, etc., the appropriate accounts in such systems shall be used instead of this account.

OTHER INCOME

D C 1521. Income from Non-utility Operations
A. This account shall include the revenues derived from and the expenses incurred in non-utility operations.
B. The expenses shall include every element of cost (except return on investment) incurred in such operations, including depreciation, rents, taxes, insurance, etc.

D C 1523. Dividend Revenues
This account shall include the revenues derived by the utility from dividends on stocks of other companies
Note: No dividends on reacquired securities issued or assumed by the utility shall be included in this account.

D C 1524. Interest Revenues
This account shall include interest revenues on investments, loans, notes, advances, special deposits, etc.

D C 1526. Miscellaneous Non-operating Income
This account shall include all revenue items properly includible in the income account other than from operations (utility and non-utility), interest, or dividends. It shall also include all expenses incurred in connection with such revenues.

INCOME DEDUCTIONS

D C 1530. Interest on Long-term Debt
A. This account shall include in each accounting period the amount of interest applicable thereto on outstanding long-term debt issued or assumed by the utility, the liability for which is included in account 1210, Bonds, account 1211, Receivers-Certificates, or account 1213, Miscellaneous Long-term Debt. No interest shall be accrued on reacquired debt carried in account 1153, Reacquired Long-term Debt.
B. Amounts charged to this account, shall be credited to account 1229, Interest Accrued.
C. This account shall be so kept or supported by other records as to show the interest accruals on each class and series of long-term debt.

D C 1531. Amortization of Debt Discount and Expense
This account shall include in each accounting period the portion of unextinguished debt discount and expense on outstanding long-term debt which is applicable to such period. The amount shall be computed as provided in account 1140, Unamortized Debt Discount and Expense, to which account concurrent credit shall be made.

D C 1532. Amortization of Premium on Debt--Credit
This account shall include in each accounting period the portion of unextinguished premium (or premium less expenses, when a net credit) on outstanding long-term debt which is applicable to such period. The amount shall be computed as provided in account 1240, Unamortized Premium on Debt, to which account concurrent debit shall be made.

D C 1534. Interest on Debt to Associated Companies
A. This account shall include in each accounting period interest on
B. Amounts charged to this account shall be credited to account 1214, Debts to Associated Companies.

D C 1535. Other Interest Charges
This account shall include in each accounting period all interest not provided for in account 1530 or 1534, and shall be so kept as to show the amount of interest charges on each debt.

D C 1536. Interest Charged to Construction--Credit
When interest is charged to construction in accordance with water plant instruction section 577.3, subd. (g), concurrent credit shall be made to this account.

D C 1538. Miscellaneous Income Deductions
This account shall include miscellaneous debits to income not provided for elsewhere.

ITEMS
(1) Decline in value of investments
(2) Donations
(3) Expenditures for associated companies for which the utility will not be reimbursed
(4) Charges not includible in account 1505, Amortization of Water Plant Acquisition Adjustments, to write off amounts in account 1105, Water Plant Acquisition Adjustments, and other items being written off which are not elsewhere provided for
(5) Penalties or fines for violations of law
(6) Expenses in connection with interest and dividend revenues
(7) Taxes assumed on interest

D C 1539. Income Taxes
This account shall include taxes on net income, excess profits, undivided profits, excess dividends, and capital stock.

DISPOSITION OF NET INCOME

D C 1540. Miscellaneous Reservations of Net Income
A. This account shall include reservations of net income, such as may be required under the terms of mortgages, deeds of trust, orders of a court, contracts, or other agreements, and other reservations of net income.

B. Amounts charged to this account shall be credited concurrently to the appropriate reserve account.

C. The entries in this account shall show the nature of each reservation of income.

OPERATING REVENUE ACCOUNTS
SALES OF WATER
D C 1601. Metered Sales to General Customers
D C 1602. Flat Rate Sales to General Customers
D C 1603. Sales to irrigation Customers
D C 1604. Private Fire Protection
D C 1605. Public Fire Protection
D C 1606. Other Sales to Public Authorities
D C 1607. Sales to Other Water Utilities
D C 1608. Interdepartmental Sales

OTHER WATER REVENUES
D C 1611. Rent from Water Operating Property
D C 1613. Customers' Forfeited Discounts
D C 1614. Servicing of Customers' Installations
D C 1615.1. Merchandise and Jobbing
D C 1615.2. Miscellaneous Water Revenues
SALES OF WATER

D C 1601. Metered Sales to General Customers
This account shall include revenues from measured water supplied for residential, commercial and industrial purposes when the total charge is or may be in any way dependent upon the quantity of water delivered.

Note A: This account includes all revenues under service classifications which consist of a rate for a specified diameter of service pipe, or per meter, fixture, room, foot of frontage, or other similar unit, plus an additional charge or an adjustment dependent upon the quantity of water delivered.

Note B: The records supporting the entries to this account shall be so kept that the quantity of water sold and the revenues therefrom will be available for each service classification.

D C 1602. Flat Rate Sales to General Customers
This account shall include revenues from water supplied for residential, commercial and industrial (except irrigation) purposes when the charge is not in any way dependent upon the quantity of water delivered, but consists of a rate for a specified diameter of service pipe or per fixture, room, foot of frontage, or other similar unit.

Note: The records supporting the entries to this account shall be so kept that the revenue under each service classification will be available.

D C 1603. Sales to Irrigation Customers
A. This account shall include revenues from water supplied for irrigation purposes under service classifications applicable only to irrigation customers.
B. This account shall be subdivided as follows:
   1603.1 Metered Sales to Irrigation Customers
   1603.2 Flat Rate Sales to Irrigation Customers

Note A: For distinction between metered sales and flat rate sales see accounts 1601 and 1602.

Note B: The records supporting the entries to this account shall be so kept that there will be available:
   For metered sales, the quantity of water sold and the revenues therefrom for each service classification
   For flat rate sales, the revenue under each service classification

D C 1604. Private Fire Protection
This account shall include revenues from fire protection to others than public authorities except when such protection is furnished under the same service classification with other service.

D C 1605. Public Fire Protection
A. This account shall include revenues from municipalities or other subdivisions or agencies of State or federal governments for rental of hydrants or other fire protection facilities and for water delivered in connection therewith.
B. When the charges for fire protection include the use of water for street sprinkling, sewer flushing, or other similar purposes the total revenue may be included in this account.

Note: The records supporting the entries to this account shall be so kept as to show separately for each political subdivision the number, size (nominal diameter of bottom connection), and type of hydrants and the diameter of the main to which they are connected, the rate per
hydrant or other fire protection charge, and the total revenue.

D C 1606. Other Sales to Public Authorities
This account shall include revenues from water, other than for fire protection, delivered to municipalities or other subdivisions or agencies of State or federal governments, under special contracts or agreements or service classifications applicable only to public authorities.

Note A: Do not include in this account revenues from public authorities for water delivered for distribution or for public fire protection, or revenues from sales to public authorities billed under general service classifications.

Note B: The records supporting the entries to this account shall be so kept that the quantity of water sold under each contract will be available for metered sales.

D C 1607. Sales to Other Water Utilities
This account shall include the revenues from water supplied (including standby or breakdown service) to other water utilities or to public authorities for distribution.

Note A: When the contract is a reciprocal one, i.e., when either party thereto may take water from the other, the gross amount receivable for water supplied to the other party shall be included herein in each accounting period and the gross amount payable for water received from the other party shall be charged to account 1708, Water Purchased for Resale.

Note B: The records supporting the entries to this account shall show separately for each contract the point of delivery, the quantity of water supplied, the basis for the charge, and the total charge to the distributor.

D C 1608. Interdepartmental Sales
This account shall include the total amounts charged to other departments of the utility by the water department for water supplied by the latter. (See operating revenue instruction ø 578.5.)

OTHER WATER REVENUES

D C 1611. Rent from Water Operating Property
This account shall include rents received for the use by others or by a coordinate department of the utility of land, buildings, and other property devoted to water operations by the utility.

Note A: Do not include in this account rents from property included in account 1102 Water Plant Leased to Others. (See account 1508, Income from Water Plant Leased to Others.)

Note B: When rentals are received for use of structures the cost of which is not included in water plant accounts, but which are located on land which is included in water plant accounts, the portion of such rent representing the charge for use of land or access to water shall be credited to this account.

D C 1613. Customers' Forfeited Discounts
This account shall include the amounts which the utility allows its customers on condition that they pay their water bills on or before a specified date and which are forfeited because of failure to pay within the specified time.

D C 1614. Servicing of Customers' Installations
This account shall include revenues accruing to the utility from charges to customers on account of the maintenance of appliances, piping, or other installations on customers' side of meters. This
includes also charges to customers for testing and repairing meters
owned by customers.

D C 1615.1. Merchandise and Jobbing
A. This account shall include revenues derived from the sale of water
merchandise. To this account shall be charged the cost to the utility of
such merchandise sold, including transportation and stores cost, the
cost of labor employed in merchandising (so far as it is practicable for
the company to segregate such labor cost), and discounts and
uncollectible revenues arising from merchandise.
B. To this account shall also be credited the revenue from piping and
other jobbing work performed by the utility for its own customers,
excluding items includible in account 1614, but including charges made
for installing meters owned by customers, and for tapping mains and
laying services when the cost of such work is not includible in account
1323, Services. This account shall be charged with the cost of jobbing
work, including shop expenses, transportation, stores and other expenses
applicable. (See also general instruction 576.9, and account 1265,
Contributions in Aid of Construction.)

Note A: The utility shall keep the records supporting this account in
sufficient detail to permit a complete analysis of the credits and
debits therein.

Note B: Do not include in this account the receipts from the sale of
superseded equipment or of junk or other scrap. The accounting for scrap
material shall be as provided in account 1131, Materials and Supplies.

Note C: If the utility is engaged generally in merchandising, jobbing,
or plumbing, such transactions shall be accounted for under the
appropriate accounts for non-utility operations. (See account 1521,
income from Non-utility Operations.)

D C 1615.2 Miscellaneous Water Revenues
A. This account shall include revenues incidental to water operations
not includible in any of the foregoing accounts. This covers such items
as turn-on charges, fees and charges for testing and repairing
company-owned meters and for changing, connecting, disconnecting and
restoration of service; profit on the sale of unused materials and
supplies not ordinarily purchased for resale; commissions on sales or
distribution of others' water (sold under rates filed by such others);
management or supervision fees; sale of steam (except when the utility
furnishes steam-heating service); sales of ice, trees, fruit, crops,
etc.

B. This account shall be charged with the cost of harvesting, cutting
and marketing ice, trees, fruit, crops, and similar products. (See also
paragraph C of account 1311, Land.)

OPERATION AND MAINTENANCE ACCOUNTS
WATER SOURCES, PUMPING AND PURIFICATION EXPENSES
D 1700. Supervision and Labor
C 1701. Supervision
C 1702. Water Source Operation Labor
C 1703. Power and Pumping Operation Labor
C 1704. Purification Operation Labor
C 1705. Maintenance Labor--Water Sources
C 1706. Maintenance Labor--Power, Pumping and Purification
D C 1708. Water Purchased for Resale
D 1710. Materials, Supplies and Expenses
C 1711. Water Source Operation Supplies and Expenses
C 1712. Power and Pumping Supplies and Expenses
C 1713. Purification Supplies and Expenses
C 1714. Maintenance Materials--Water Sources
C 1715. Maintenance Materials--Power, Pumping and Purification
D C 1720. Rents
D C 1729. Power Purchased or Transferred--Debit
D C 1730. Power Transferred--Credit

TRANSMISSION AND DISTRIBUTION EXPENSES

D 1750. Supervision and Labor
C 1751. Supervision
C 1752. Operation Labor
C 1753. Meter Maintenance Labor
C 1754. Other Maintenance Labor
C 1755. Labor on Fire Protection Plant
D 1760. Materials, Supplies and Expenses
C 1761. Operation Supplies and Expenses
C 1762. Meter Maintenance Materials and Expenses
C 1763. Other Maintenance Materials and Expenses
C 1764. Materials and Expenses on Fire Protection Plant
D C 1770. Rents

CUSTOMERS' ACCOUNTING AND COLLECTING EXPENSES

D 1780. Meter Reading, Accounting and Collecting
C 1781. Meter Reading
C 1782. Accounting and Collecting
D C 1783. Uncollectible Accounts
D C 1784. Rents

SALES PROMOTION EXPENSES

D C 1786. Sales Expenses

ADMINISTRATIVE AND GENERAL EXPENSES

D C 1790. Salaries of General Officers
D C 1791. Other General Office Salaries
D C 1793. General Office Expenses
D 1795. Special Services
C 1795.1. Management and Supervision
C 1795.2. Legal Services
C 1795.3. Other Special Services
D C 1797. Regulatory Commission Expenses
D C 1798. Insurance, Injuries and Damages
D C 1800. Other General Expenses
D C 1802. Operation and Maintenance of General Property
D C 1803. General Rents
D C 1805. Franchise Requirements
D C 1806. Duplicate Charges--Credit
D C 1807. Administrative and General Expenses Transferred--Credit
D C 1808. Joint Expenses--Debit
D C 1809. Joint Expenses--Credit
D C 1810. Stores, Shop and Laboratory Expenses
D C 1811. Transportation Expenses

WATER SOURCE, PUMPING AND PURIFICATION EXPENSES

Note: Separate operation and maintenance accounts shall be kept for each source of water supply and for each separate pumping and purification station.
D 1700. Supervision and Labor
This account shall include items provided for in accounts 1701 to 1706
C 1701. Supervision
This account shall include the cost of supervising and directing the operation and maintenance of the water source, pumping and purification facilities.

C 1702. Water Source Operation Labor
This account shall include the pay of employees for the time during which they are engaged in operating the sources of water supply.

ITEMS
(1) Cutting brush
(2) Operating gates
(3) Patrolling
(4) Removing organic growth
(5) Removing sediment
(6) Trimming trees

Note: Do not include maintenance labor in this account.

C 1703. Power and Pumping Operation Labor. This account shall include the pay of employees for the time during which they are engaged in operating the power and pumping equipment.

Note: Do not include maintenance labor in this account.

C 1704. Purification Operation Labor
This account shall include the pay of employees for the time during which they are engaged in operating the purification system.

Note: Do not include maintenance labor in this account.

C 1705. Maintenance Labor--Water Sources
This account shall include the pay of employees or others for the time during which they are engaged in making repairs to water source property, such as reservoirs, dams, wells, etc. This includes, in addition to labor on actual repairs, such work as routine inspection and testing, replacing or adding minor items of plant (see water plant instruction § 577.2, subd. (c)), testing for, locating and clearing trouble, restoring the condition of damaged property, etc., but not replacing items of property designated as "units of property."

C 1706. Maintenance Labor--Power, Pumping and Purification
This account shall include the pay of employees or others for the time during which they are engaged in making repairs to power and pumping structures and equipment, and purification buildings and equipment. This includes, in addition to labor on actual repairs, such work as routine inspection and testing, replacing or adding minor items of plant (see water plant instruction § 577.2, subd. (c)), testing for, locating and clearing trouble, restoring the condition of damaged property, etc., but not replacing items of property designated as "units of property."

D C 1708. Water Purchased for Resale
A. This account shall include the cost at the point of delivery of all water purchased for resale. This includes charges for readiness to serve, and the portion applicable to each month of annual or more frequent payments for the right to divert water at the source of supply.

B. When the contract is a reciprocal one, i.e., when either party thereto may take water from the other, the amount payable for the gross quantity of water received from the other party shall be charged hereto in each accounting period and the amount receivable for the gross quantity supplied to the other party shall be included in the appropriate revenue account.

Note: The records supporting entries to this account shall be so kept as to
show for each company from which water is obtained, the point of
delivery, the quantity thereof, the basis of charges, and the amount
payable therefor.
D 1710. Materials, Supplies and Expenses
This account shall include items provided for in accounts 1711 to
1715.
C 1711. Water Source Operation Supplies and Expenses
This account shall include the cost of supplies consumed and expenses
incurred in the operation of the sources of water supply.
ITEMS
(1) Attendants' supplies
(2) Chemicals used in water sources
(3) Employees' service facilities expense
(4) Stationery and office supplies
(5) Tools, fire
(6) Tools, hand
(7) Transportation
Note: Do not include maintenance materials in this account.
C 1712. Power and Pumping Supplies and Expenses
This account shall include the cost of supplies consumed and expenses
incurred in the operation of the power and pumping equipment.
ITEMS
(1) Fuel
(a) Coal
(b) Gasoline
(c) Oil
(d) Other fuels
(2) Boiler plant supplies and expenses
(3) Lubricants
(4) Records
(5) Tools
(6) Transportation
(7) Waste
Note: Do not include maintenance materials in this account.
C 1713. Purification Supplies and Expenses
A. This account shall include the cost of supplies consumed and
expenses incurred in the operation of the purification system.
B. The company may charge to this account the cost of water used for
washing filters and for washing or cleaning other purification
facilities. When such charges are made concurrent credits shall be made
to account 1806, Duplicate Charge--Credit.
ITEMS
(1) Charts, recording
(2) Chemicals
(a) Activated carbon
(b) Ammonia
(c) Caustic soda
(d) Chlorine
(e) Ferrous sulphate
(f) High test hypochlorite
(g) Iodine
(h) Lime
(i) Potassium permanganate
(j) Soda ash (dry sodium carbonate)
(k) Sulphate of alumina
(l) Sulphuric acid
(m) Other chemicals
(3) Electricity
(4) Hose
(5) Lubricants
(6) Shop and laboratory expenses
(7) Tools, hand
(8) Transportation
(9) Waste

Note: Do not include maintenance materials in this account.

C 1714. Maintenance Materials--Water Sources
This account shall include the cost of materials and supplies used and expenses incurred in repairing and maintaining the water source property, such as reservoirs, dams, wells, etc.

ITEMS
(1) Bills from others for repairs, inspection, adjustment or other maintenance of water source structures
(2) Materials and supplies used in making repairs or in replacing minor items of property (See water plant instruction § 577.2, subd.(c).)
(3) Minor items added to plant
(4) Transportation, shop and stores expense, if clearing accounts are used

Note: Materials recovered in connection with repair and maintenance work which is charged to this account, shall be credited hereto; repairing such materials for reuse shall be charged hereto.

C 1715. Maintenance Materials--Power, Pumping and Purification
This account shall include the cost of materials and supplies used and expense incurred in repairing and maintaining the power and pumping structures and equipment, and purification buildings and equipment.

ITEMS
(1) Bills from others for repairs, inspection, adjustment or other maintenance
(2) Materials and supplies used in making repairs or in replacing minor items of property (See water plant instruction § 577.2, subd.(c).)
(3) Minor items added to plant
(4) Transportation, shop and stores expense, if clearing accounts are used

Note: Materials recovered in connection with repair and maintenance work which is charged to this account, shall be credited hereto; repairing such materials for reuse shall be charged hereto.

D C 1720. Rents
A. This account shall include all rents for property of others used, occupied, or operated in connection with the sources of water supply and power, pumping and purification operations, including amounts payable to the United States for the occupancy and use of public lands and reservations for reservoirs, dams, etc. Taxes paid on such property shall be charged hereto.

B. If the leased property is used by more than one department of the utility, the rental (and taxes) shall be apportioned to the departments making use of the property on an equitable basis. If a portion of the rented property is subleased, the revenue therefrom shall be included in account 1611, Rent from Water Operating Property.

D C 1729. Power Purchased or Transferred--Debit
A. This account shall include the cost of power purchased which is used for the operation of pumping equipment.

B. This account shall also include charges for power transferred to water operations when such power is produced primarily for use in another operating department of the company.

C. This account shall be subdivided so as to show separately the amount applicable to each type of power purchased or transferred:

(1) Steam
(2) Electric
(3) Other power

Note: This account shall be so kept as to show separately for each company from which power is purchased, the point of delivery, the quantity, the price, and the total charge. When power is transferred from another operating department, the company shall be prepared to show the basis of the charges to water operations, full details of the cost of producing such power, and the extent and manner of use by each department involved.

D C 1730. Power Transferred—Credit

A. This account shall include credits for power transferred to another operating department of the company when such power is produced primarily for use in water operations except when such production is treated as a joint facility, in which case it shall be accounted for as provided in accounts 1808-1809.

B. This account shall be subdivided so as to show separately the account applicable to each type of power transferred:

(1) Steam
(2) Electric
(3) Other power

Note: The company shall keep records to show the basis for determining the amounts to be credited to this account.

Note: The accounting for power used by the water department itself shall be in accordance with operating revenue instruction section 578.5.

TRANSMISSION AND DISTRIBUTION EXPENSES

D 1750. Supervision and Labor

This account shall include items provided for in accounts 1751 to 1755.

C 1751. Supervision

This account shall include the cost of supervising and directing the operation and maintenance of the transmission and distribution systems.

C 1752. Operation Labor

This account shall include the pay of employees for the time during which they are engaged in operating the transmission and distribution systems, except labor on work on customers' premises (chargeable to account 1753) and labor on fire protection plant (chargeable to account 1755). (See also note hereunder.)

ITEMS

(1) Attending gates and valves
(2) Keeping maps and other transmission and distribution records
(3) Operating valves
(4) Patrolling
(5) Pressure, recording of
(6) Recording readings

Note: Maintenance labor shall be included in account 1753, 1754, or 1755, as appropriate.
C 1753. Meter Maintenance Labor
This account shall include the pay of employees for the time during which they are engaged in inspecting, testing, repairing, removing and resetting or changing the location of meters and accessory equipment located on customers' premises, investigating service complaints, adjusting water fixtures, repairing leaks in pipes and fixtures, adjustments in connection with pressure and other work on customers' premises.

Note: The cost of the first installation at a location of a meter shall not be charged to this account but to water plant account 1325, Meter installations.

C 1754. Other Maintenance Labor
This account shall include the pay of employees engaged in repairing and maintaining transmission and distribution facilities, including distribution reservoirs and standpipes, mains, services, fountains and basins, but not meters or fire protection plant.

ITEMS
(1) Cutting and replacing pavement, pavement base, and sidewalks in connection with repairs
(2) Inspecting and testing after repairs have been made
(3) Inspecting, testing and reporting on the condition of mains, services, distribution reservoirs and standpipes, etc., to determine the need for repairs, minor replacements and changes
(4) Replacing or adding minor items of plant (See water plant instruction 577.2, subd.(c.).)
(5) Repairing materials for reuse
(6) Restoring the condition of damaged mains, services, distribution reservoirs and standpipes, etc. (See note B, below.)
(7) Routine work to prevent trouble
(8) Testing for, locating, and clearing trouble
(9) Training employees for maintenance work

Note A: Meter repair labor shall be included in account 1753; labor on fire protection plant shall be included in account 1755.

Note B: The cost of maintenance does not include cost of replacing items of property designated as "units of property."

C 1755. Labor on Fire Protection Plant
This account shall include the pay of employees for the time during which they are engaged in operation and maintenance work on the fire protection plant.

ITEMS
(1) Cleaning hydrants and other fire protection plant
(2) Recording pressure
(3) Repairs to hydrants and other fire protection plant
(4) Restoring the condition of damaged property
(5) Routine inspection and tests
(6) Testing for and clearing trouble
(7) Thawing hydrants

D 1760. Materials, Supplies and Expenses
This account shall include items provided for in accounts 1761 to 1764.

C 1761. Operation Supplies and Expenses
This account shall include the cost of all supplies, tools, etc., used and miscellaneous expenses incurred in operating the transmission and distribution systems, except repair materials, supplies and expenses,
and those used on the fire protection plant.

Note: All materials and supplies used and expenses incurred on fire protection plant systems are chargeable to account 1764; maintenance materials, supplies and expenses used on meters, and other work on customers' premises shall be charged to account 1762; maintenance materials and supplies used and expenses incurred on other transmission and distribution property are chargeable to account 1763.

C 1762. Meter Maintenance Materials and Expenses
This account shall include the cost of materials and supplies used and expenses incurred in repair and maintenance and other work on customers' premises.

ITEMS
(1) Meter repair materials, supplies and expenses
(2) Other materials, supplies and expenses used on customers' premises
(3) Replacing or adding minor items of property (See water plant instruction 577.2, subd.(c).)
(4) Transportation, shop and stores expenses, if clearing accounts are used
(5) Work done by others

Note: Do not include in this account expenses incurred in connection with merchandising and jobbing work. (See account 1615.1.)

C 1763. Other Maintenance Materials and Expenses
This account shall include the cost of materials and supplies used and expenses incurred in repairing and maintaining the transmission or distribution reservoirs and standpipes, mains, services, and fountains and basins.

ITEMS
(1) Jointing materials
(2) Paving repair materials
(3) Pipe and fittings
(4) Replacing or adding minor items of property (See water plant instruction 577.2, subd.(c).)
(5) Special castings
(6) Transportation, shop and stores expenses, if clearing accounts are used
(7) Valves and appurtenances
(8) Work done by others

Note: The cost of maintenance does not include the cost of replacing items of property designated as "units of property."

C 1764. Materials and Expenses on Fire Protection Plant
This account shall include the cost of materials and supplies used and expenses incurred in operating, repairing and maintaining the fire protection plant. This includes work done by others, and replacing or adding minor items of property (see water plant instruction 577.2, subd.(c)), but does not include the cost of replacing items of property designated as "units of property."

D C 1770. Rents
This account shall include all rents of property of others used, occupied, or operated in connection with the transmission and distribution system. Taxes on such property shall be charged hereto.

CUSTOMERS' ACCOUNTING AND COLLECTING EXPENSES
D 1780, Meter Reading, Accounting and Collecting
This account shall include items provided for in accounts 1781 and 1782.
C 1781. Meter Reading

This account shall include the pay of employees engaged in reading customers' meters, and the cost of supplies used and expenses incurred in connection therewith.

ITEMS

(1) Badges
(2) Forms for recording readings
(3) Lamps
(4) Meter readers, pay of
(5) Transportation
(6) Uniforms

C 1782. Accounting and Collecting

This account shall include the pay and expenses of employees engaged on customers' applications, contracts, orders, complaints, and inquiries, and in making credit investigations, billing, collecting customers' bills, and bookkeeping; and the cost of supplies used and expenses incurred in connection therewith.

ITEMS

(1) Accounts, customers', keeping of
(2) Address plates
(3) Billing
(4) Bookkeeping
(5) Books
(6) Cashier, pay of
(7) Commissions, fees, or salaries of collectors
(8) Delivery of bills
(9) Disconnection for non-payment of bills
(10) Office supplies
(11) Postage
(12) Stationery and printing
(13) Statistical work on customers' accounts
(14) Tabulating sales
(15) Transportation

D C 1783. Uncollectible Accounts

This account shall be charged each month with amounts sufficient to provide for losses from uncollectible water revenues. Concurrent credits shall be made to account 1254, Reserve for Uncollectible Accounts. Losses from uncollectible accounts shall be charged to such reserve.

D C 1784. Rents

A. This account shall include rents for property of others used, occupied, or operated in connection with customers' accounting and collecting, such as for a commercial office. Taxes paid on such property shall be charged hereto. (See also water plant instruction ð 577.6.)

B. If the leased property is used by more than one department of the utility, the rents (and taxes) shall be apportioned on an equitable basis to the departments making use of the property. If a portion of the rented property is subleased, the revenue therefrom shall be included in account 1611, Rent from Water Operating Property.

Note: If the commercial office and the general office occupy space jointly, and the allocation of the rental to each office is not practicable, the entire amount for office rental may be included in account 1803, General Rents.

SALES PROMOTION EXPENSES

D C 1786. Sales Expenses
This account shall include the cost of labor employed and expenses incurred for the purpose of promoting the sale of water, other than merchandising or jobbing.

ITEMS

(1) Advertising
(2) Demonstrating use of appliances
(3) Salaries and commissions of solicitors

ADMINISTRATIVE AND GENERAL EXPENSES

D C 1790. Salaries of General Officers
This account shall include the compensation (salaries, bonuses and other considerations for services) of officers and executives of the utility, properly chargeable to water operations and not chargeable directly to a particular water function.

Note: Directors' fees, even though paid to officers, shall be charged to account 1800, Other General Expenses.

D C 1791. Other General Office Salaries
This account shall include the compensation of employees engaged in the general offices properly chargeable to water operations and not chargeable directly to a particular water function.

D C 1793. General Office Expenses
This account shall include the expenses of general officers and general office employees, and the cost of office supplies and office expenses in connection with the general administrative functions of the utility's water operations.

ITEMS

(1) Books and periodicals for office use
(2) Building service (not including rent)
(3) Meals and hotel bills
(4) Membership fees and dues in trade, technical and professional associations
(5) Office supplies
(6) Postage
(7) Printing
(8) Stationery
(9) Telephone, telegrams, etc.
(10) Traveling expenses

D 1795. Special Services
A. This account shall include amounts payable to any corporation, firm or individual, other than officers and employees of the utility, for special services to the water department for general supervision and management services and expenses, and for legal and other special services and expenses.

ITEMS

(1) Services:
   (a) Auditing and accounting
   (b) Legal
   (c) Management
   (d) Rates
   (e) Secretarial
   (f) Statistical
   (g) Supervisory
(2) Expenses:
   (a) Hotel
   (b) Meals
B. Class C utilities shall subdivide this account as follows:

C 1795.1 Management and Supervision
C 1795.2 Legal Services
C 1795.3 Other Special Services

C. Records supporting this account shall be so kept as to show (1) the basis of each fee, (2) the amount of the fee, and (3) the person to whom the fee is paid or payable.

Note A: Legal or other special services in connection with formal cases before regulatory commissions, or in cases in which such a commission is a party, shall be charged to account 1797, Regulatory Commission Expenses, or when specifically applicable to injury or damage cases to account 1798, Insurance, Injuries and Damages, or other appropriate account.

Note B: Legal or other special services incident to the construction of water property shall be charged to the appropriate utility plant accounts. Legal services incident to the issuance of long-term debt or capital stock shall be charged to account 1140, Unamortized Debt Discount and Expense, account 1240, Unamortized Premium on Debt, or account 1151, Capital Stock Expense, as appropriate.

D C 1797. Regulatory Commission Expenses

A. This account shall include all expenses (except pay of regular employees only incidentally engaged in such work), properly includible in water operating expenses, incurred by the utility in connection with formal cases before regulatory commissions, or other regulatory bodies, or cases in which such a body is a party, including payments made to a regulatory commission for fees assessed against the accounting utility for pay and expenses of such commission, its officers, agents, and employees.

B. Amounts of regulatory commission expenses which are spread over future periods shall be charged to account 1146, Miscellaneous Deferred Debits, and amortized by charges to this account. (See general instruction § 576.4.)

C. The utility shall be prepared to report the cost of each formal case.

D. The costs which may be partly chargeable to this account and partly to the other accounts enumerated in notes A and B to account 1795 shall be equitably apportioned, and the basis of allocation to the several accounts shall be submitted to this commission.

ITEMS

(1) Salaries, fees, retainers, and expenses of counsel, solicitors, attorneys, accountants, engineers, clerks, attendants, witnesses, and others engaged in the prosecution of, or defense against, petitions or complaints presented to regulatory bodies, or in the valuation of property owned or used by the utility in connection with such cases.

(2) Expenses: Engineering supplies, office expenses, payments to public service or other regulatory commissions, stationery and printing, traveling expenses, and other expenses incurred directly in connection with formal cases before regulatory commissions.

Note A: Exclude from this account and include in other appropriate operating expense accounts, expenses incurred in the improvement of service, additional inspection, or rendering reports, which are made
necessary by the rules and regulations, or orders, of regulatory bodies.

Note B: Do not include in this account costs incident to the construction of water property, which are chargeable to the tangible water plant accounts. Costs incurred in connection with property purchases shall be accounted for as provided in paragraph D of account 1106, Unclassified Water Plant. Costs incurred incident to the issuance of long-term debt shall be charged to account 1140, Unamortized Debt Discount and Expense, or account 1240, Unamortized Premium on Debt, as applicable; costs incurred incident to the issuance of capital stock shall be charged to account 1151, Capital Stock Expense.

Note C: Do not include in this account expenses in connection with investigations by legislative bodies or cases to which the utility is not a party.

D C 1798. Insurance, Injuries and Damages
A. This account shall include the cost of insurance to protect the utility against the following losses and damages:
   (1) Losses and damages to owned or leased property used in its water operations such as by fire, storm, burglary, boiler explosion, lightning, etc.
   (2) Protection against claims for injuries or deaths to employees or others, or damages to the property of others, including public liability, property damage, boiler, casualty, employees' liability, etc.
   (3) Other losses which occur in connection with water operations, and payments and expenses on account of damages for non-performance of contractual obligations.
B. Amounts may be accrued monthly sufficient to meet the probable liability for such losses, concurrent credits being made to account 1255, Reserve for Insurance, Injuries and Damages, in which case losses sustained shall be charged to the reserves. This includes payments to attorneys, investigators and adjusters, court costs, etc.
C. Reimbursements from insurance companies or others for expenses charged hereto on account of property damages or for injuries and damages, and insurance dividends or refunds shall be credited to this account.

Note A: If clearing accounts 1902 to 1905 are kept, the applicable items provided for in this account shall be included in such clearing accounts.

Note B: The utility shall so keep its records as to show the amount of coverage for each class of insurance carried, the property covered, the applicable premiums, and the distribution of the costs to specific operations or functions. If the utility carries reserves for self-insurance, it shall keep records to show the types of losses against which such reserves are maintained, and the basis of the accruals to the reserves for each risk covered.

D C 1800. Other General Expenses
A. This account shall include such items of expense applicable to the water department, not provided for in other accounts, as the cost of publishing and distributing annual reports to stockholders; advertising notices of stockholders' meetings; dividend and other corporate and financial notices of a general character; association dues; contributions for conventions and meetings of the industry; fees of transfer agents, registrars of stock and fiscal agents; director's fees; fees for filing annual reports and tariff schedules; commissions paid under agency sales contracts; expenses incurred in accident, welfare,
educational and recreational work; cost of life insurance for employees when the utility is not the beneficiary; pensions payable currently to retired employees or their beneficiaries and the cost of advance provision for pensions to be paid to retired employees or their beneficiaries, except payroll taxes, (see general instruction ò 576.12); cost of employees' relief and benefits; and any other miscellaneous expenses connected with the general management and not otherwise provided for.

B. This account shall not include any charges representing amounts used or to be used for the purchase of securities of the accounting company or any associated company, whether contributed by the accounting company or deducted from salaries and wages of employees, unless and until such amounts have actually been realized and paid to the employees in cash or its equivalent subject to their free disposition. To the extent that the securities thus purchased have an actual market value, the amounts paid for them may be carried meanwhile in account 1114, Miscellaneous Investments and Special Funds; otherwise such amounts shall be charged to account 1538, Miscellaneous Income Deductions. (See general instruction ò 576.7.)

Note A: When the utility is the beneficiary of insurance on officers or employees, the cash surrender value shall be included in account 1133, Miscellaneous Current and Accrued Assets, and the excess of cost of the insurance over such cash surrender value shall be charged to account 1538, Miscellaneous Income Deductions.

Note B: No charges shall be made to this account or distributed to other accounts to cover advance provision for future pension payments, unless the controlling plan has been filed with the commission; and no charges shall be made in anticipation of discretionary pension payments in the future.

Note C: Records shall be kept so that the amounts paid for pensions and the amounts paid as advance provision for future pensions can be readily determined.

Note D: Upon adoption of an accrual plan of accounting, pension payments to employees retired before the adoption of such plan shall be charged to an existing pension reserve until such reserve is exhausted, unless any such existing reserve is eliminated by payment of an equivalent amount into the pension trust fund.

D C 1802. Operation and Maintenance of General Property
This account shall include the cost of operating and maintaining general buildings and general office furniture and equipment.

D C 1803. General Rents
A. This account shall include rent, covering the property of others used, occupied, or operated in connection with the general and administrative functions of the utility, such as general offices. Taxes paid on such property shall be charged hereto. (See also water plant instruction ò 577.6.)

B. If the leased property is used by more than one department of the utility, the rental (and taxes) shall be apportioned on an equitable basis to the departments making use of the property. If a portion of the rented property is subleased, the revenue therefrom shall be included in account 1611, Rent from Water Operating Property.

Note: If the commercial office and the general office occupy space jointly and the allocation of the rental to each office is not practicable, the entire amount of such rental may be included in this
D C 1805. Franchise Requirements
A. This account shall include payments to municipal or other governmental authorities, and the cost of materials, supplies and services furnished such authorities without reimbursement in compliance with franchise, ordinance, or similar requirements, provided, however, that the utility may charge to this account at regular tariff rates, instead of cost, water furnished without charge under provisions of franchises.
B. When no direct outlay is involved, concurrent credits for such charges shall be to account 1806, Duplicate Charges--Credit.
Note A: Taxes shall not be charged to this account. (See account 1507, Operating Taxes.)
Note B: The cost of plant, supplies, etc., given as an initial consideration for a franchise running for more than one year shall be charged to account 1302, Franchises and Consents.

D C 1806. Duplicate Charges--Credit
A. This account shall include concurrent credits for charges which are made to account 1805, Franchise Requirements, to the extent that such charges do not represent direct outlays. It shall also include concurrent credits for charges made to operating expense or other accounts of the water department for water or steam for heating for which there is no direct money outlay.
B. This account shall be so kept as to disclose the nature and amount of each item included herein.

D C 1807. Administrative and General Expenses Transferred--Credit
A. This account shall be credited with amounts recorded in the administrative and general expenses which are properly includible in construction costs, covering the portion of the pay and expenses of general officers, clerks, and others when engaged on construction work.
B. The records supporting this account shall be so kept as to show the basis of determining the amounts transferred to construction.
Note: See water plant instruction, section 577.3, subdivision (a) (3).

D C 1808. Joint Expenses--Debit
D C 1809. Joint Expenses--Credit
A. A joint facility for the purpose of this system of accounts is defined as any property occupied or used jointly by the utility and another or others under a definite arrangement whereby the actual costs are shared between or among the parties. Property of the utility occupied or used under a similar definite arrangement between the water department and a coordinate department or departments shall likewise be considered as a joint facility.
B. Amounts payable by the water department to others or to a coordinate department for joint facilities used, occupied, or operated in connection with water operations shall be charged to account 1808, Joint Expenses--Debit; amounts receivable under the arrangement shall be credited to account 1809, Joint Expenses--Credit.
C. These accounts shall also include interdepartmental rents receivable or payable even though such rents are not determined on the basis of costs of operation and maintenance of property jointly used.
D. The records supporting the entries to these accounts shall be so kept that the utility can furnish a complete explanation of the items therein.

D C 1810. Stores, Shop and Laboratory Expenses
A. This account shall include the cost of labor employed and expenses incurred in the operation and maintenance of the water storerooms, shops and laboratories if such expenses are not allocated, either directly or through the medium of a clearing account, to the accounts benefited.

B. This account, when kept, shall include costs covered by the text and items listed in accounts 1902, Stores Expenses--Clearing, and 1905, Shop and Laboratory Expenses--Clearing, except depreciation, insurance, and rents. (See accounts 1503, 1798 and 1803.)

Note A: The cost of repairs to meters and other plant made at the shop shall not be included herein but in the accounts appropriate for such maintenance.

Note B: Stores, shop and laboratory expenses applicable to construction shall not be included in operating expenses.

D C 1811. Transportation Expenses

A. This account shall include the cost of labor employed and expenses incurred in the operation and maintenance of transportation equipment if such expenses are not allocated, either directly or through the medium of a clearing account, to the accounts benefited. For item list and optional accounting, see account 1903, Transportation Expenses--Clearing.

B. This account, when kept, shall include costs covered by the text and items listed in account 1903, Transportation Expenses--Clearing.

Note: Transportation expenses applicable to construction shall not be included in operating expenses.

CLEARING ACCOUNTS
REQUIRED

D C 1901. Charges by Associated Companies--Clearing

OPTIONAL

1902. Stores Expenses--Clearing
1903. Transportation Expenses--Clearing
1905. Shop and Laboratory Expenses--Clearing

Note: Utilities which do not use accounts 1902 to 1905 shall keep accounts 1810, Stores, Shop and Laboratory Expenses, and 1811, Transportation Expenses.

D C 1901. Charges by Associated Companies--Clearing (Required)

A. This account shall include all charges made by associated companies against the utility for any purpose whatsoever (except interest), including charges for management, supervision, purchasing, construction, accounting, engineering, legal, financial, rent, advertising, materials and supplies, equipment and other property, commissions, taxes and other items, together with credits applicable thereto as provided in general instruction section 576.7.

B. This account shall be cleared by charging the appropriate accounts with the expenditures applicable thereto.

C. The records supporting this account shall be so kept as to show the nature of each charge together with the account or accounts to which each charge is cleared.

Note: The mandatory use of this account may be suspended upon order of the commission if equivalent information is readily obtainable from other records of the utility.

1902. Stores Expense--Clearing (Optional)

A. This account shall include the cost of labor and expenses incurred in the operation and maintenance of the storerooms (other than those identified only with a particular function) including storage, handling
and distribution of materials and supplies.

B. Cash discounts shall be credited hereto when such discounts can not be applied to the cost of particular materials.

C. This account shall be cleared by adding to the cost of materials and supplies a suitable loading charge which will distribute the expense equitably over stores issues.

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<td>(10) Losses due to breakage, leakage, evaporation, fire and other causes. Credit any amounts received from insurance, transportation companies or others in compensation of such losses</td>
</tr>
<tr>
<td>(11) Maintenance of stores equipment</td>
</tr>
<tr>
<td>(12) Pay and expenses of storekeepers, clerks and others employed in store-rooms or in store offices</td>
</tr>
<tr>
<td>(13) Purchasing agents' fees, portion applicable to items carried through this account</td>
</tr>
<tr>
<td>(14) Purchasing agents' pay and expenses, portion applicable to items carried through this account</td>
</tr>
<tr>
<td>(15) Rents (See also water plant instruction 577.6.)</td>
</tr>
<tr>
<td>(16) Transporting materials into storehouse, when not assignable to specific items</td>
</tr>
</tbody>
</table>

Note: Large differences in the accounts disclosed by inventories, which can readily be assigned to important classes of materials, shall be equitably adjusted among the accounts to which such classes of materials have been charged since the preceding inventory. Other differences shall be equitably apportioned among the accounts to which materials have been charged, or included in this account.

1903. Transportation Expenses--Clearing (Optional)

A. This account shall include the cost of labor and expenses incurred in the operation and maintenance of the water general transportation equipment, including direct taxes and depreciation on transportation equipment.

B. This account shall be cleared by apportionment to operating expense, water plant, or other accounts benefited on a basis which will distribute the expenses equitably. Credits to this account shall be made in such detail as to permit ready analysis.

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<thead>
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<td>(1) Depreciation of transportation equipment</td>
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<td>(2) Feed and bedding for horses and mules</td>
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<td>(5) Heat, light and power for garage and garage office</td>
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<td>(6) Injuries and damages</td>
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<td>(7) Insurance on garage equipment and transportation equipment</td>
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including public liability and property damage
(8) License fees for vehicles and drivers
(9) Maintenance of transportation and garage equipment
(10) Operation of garages and stables
(11) Pay and expenses of drivers, mechanics, etc.
(12) Rent of garage buildings and grounds (See also water plant
instruction ð 577.6.)
(13) Rent of vehicles and other rents
(14) Taxes, direct, such as on gasoline, oil, tires, etc.
(15) Tires, tubes and chains
1905. Shop and Laboratory Expenses--Clearing (Optional)
A. This account shall include the cost of labor and expenses incurred
in the operation and maintenance of shops and laboratories of the
utility, other than those identified wholly with a particular function.
B. This account shall be cleared by apportionment to operating
expense, water plant, or other accounts benefited on a basis which will
distribute the expenses equitably. Credits to this account shall be made
in such detail as to permit ready analysis.
C. If a laboratory is maintained at a purification plant in connection
with the operation of the plant, the costs incident to its operation and
maintenance shall be charged to the appropriate expense account.
ITEMS
(1) Charts
(2) Collecting and handling scrap materials
(3) Depreciation of equipment
(4) Heat, light and power
(5) Injuries and damages
(6) Insurance on equipment and supplies
(7) Pay and expenses of superintendents, machinists, chemists and
other employees in shops or laboratories
(8) Rents (See also water plant instruction ð 577.6.)
(9) Repairs to equipment
(10) Testing supplies

SUBCHAPTER F
Miscellaneous
PART
585 Utility Contract and procurement procedures
586 Contracts or Agreements for the Construction, Improvement, Extension
or Maintenance of Utility Plant

PART 585
UTILITY CONTRACT AND PROCUREMENT PROCEDURES
(Statutory authority: Public Service Law, ð 115)
Sec. 585.1 Utility contract and procurement procedures
585.2 Filing of changes in procedures
Section 585.1 Utility contract and procurement procedures.
(a) Every water-works corporation subject to the jurisdiction of this
Commission with annual gross operating revenues in excess of $1,500,000
shall file, in accordance with the requirements of ð 3.5 of this Title,
with this Commission the procedures which govern the contracting for and
procurement of services, equipment or materials to be used in its
utility operations. The statement shall:

(1) Describe the circumstances in which cost estimates will be prepared and the procedures for awarding a contract which exceeds such an estimate. Such estimates, when prepared:
   (i) Shall be related to market conditions and trends as well as the utility's own experience; and
   (ii) Where competitive bidding is employed, shall remain confidential until after the bids are opened.

(2) Where competitive bidding is employed, specify the procedures used in preparing and maintaining lists of qualified bidders by geographical area, type of material or service provided, and degree of capability, including:
   (i) The criteria used for including or excluding bidders;
   (ii) A description of the circumstances in which all bidders on such a list not be solicited in instances where the utility uses competitive bidding; and
   (iii) A provision that in the absence of such a list, all requests to be allowed to bid that are not honored, shall be reviewed within the utility.

(3) Where competitive bidding is employed, specify the procedure to be employed to ensure that sealed bids are opened at the time and place specified.

(4) Specify the procedure employed in making awards in the absence of bids or, where competitive bidding is employed, to a person other than the low bidder.

(5) Specify the procedures employed in reviewing contract expenditures, relating such expenditures to any cost estimate, the amount of the award and existing market conditions.

(6) Include a requirement for disclosure to the utility of any ownership or beneficial interest in potential suppliers by employees involved in specifying or procuring services, equipment and materials, which requirement shall provide that no employee in the purchasing department nor anyone with authority to review or approve a purchasing decision shall have such an interest, except in accordance with such rules as the utility may develop and file with this Commission.

585.2 Filing of changes in procedures.
Each such water-works corporation shall file with this commission any change in these procedures at least 30 days before they are to be effective, unless otherwise authorized by this commission.

PART 586
CONTRACTS OR AGREEMENTS FOR THE CONSTRUCTION, IMPROVEMENT, EXTENSION OR MAINTENANCE OF UTILITY PLANTS
(Statutory authority: Public Service Law, § 115)

Sec.
586.1 Filing of proposed contract
586.2 Subcontract on cost-plus basis
586.3 Emergency contract
586.4 Quarterly filing of contract
586.5 Waiver of rule

Section 586.1 Filing of proposed contract.
(a) Every public utility company subject to the jurisdiction of this
Commission shall file, in accordance with the requirements of ñ 3.5 of this Title, with this Commission one copy of every proposed cost-plus contract or agreement including those contracts or agreements in which the payment to be made by the utility is based on time and material consumed regardless of the number of units completed, for the construction, improvement or extension of its plant, works or system exceeding in amount $100,000 in any calendar year, and a list of any other offers received, and such contract or agreement shall not become effective until it has been on file with this Commission for 30 days, or until the Commission has notified the utility that such contract or agreement may be made effective immediately. If during the 30 day period, the Commission determines that it is in the public interest for the contract or agreement for the work proposed to be performed to be let after public bidding, the Commission will notify the public utility company, and the filed contract or agreement will not become effective. In such circumstances the public utility shall proceed to make a public offering of the proposed work in accordance with the direction of the Commission.

(b) When the accumulated amount of all other such contracts or agreements awarded to a single contractor in any calendar year has exceeded $100,000, a list of such contracts, including any other offers received, shall be filed, in accordance with the requirements of ñ 3.5 of this Title, with the commission by March 1 of the succeeding year.

586.2 Subcontract on cost-plus basis. In view of the fact that a so-called subcontract covering any part of the work to be performed under a cost-plus contract or agreement entered into by a public utility company is, in effect, the contract or agreement of the public utility company within the meaning of ñ 115 of the Public Service Law, every such subcontract on a cost-plus basis, proposed to be let under a principal contract or agreement which is subject to ñ 586.1 hereof, shall be filed, in accordance with the requirements of ñ 3.5 of this Title, with the Commission in accordance with the requirements of provisions of such section. All such contracts or agreements shall contain suitable provisions to give effect to the provisions of this Part. This section shall not apply to a subcontract which provides by its terms that the maximum payment thereunder shall not exceed the sum of $5,000.

586.3 Emergency contract. In case a storm, flood, accident or similar emergency requires that a contract or agreement be made without complying the foregoing provisions of this Part in order to maintain or restore the company's service, immediate notice shall be given to the Commission by telephone of the making of such contract or agreement, and a copy thereof shall be filed, in accordance with the requirements of ñ 3.5 of this Title, as soon as possible, but not later than 10 days after the making thereof, and such contract or agreement shall be exempted from the other provisions of this Part.

586.4 Quarterly filing of contract.

Every public utility company subject to the jurisdiction of this commission shall file with this commission quarterly, one copy of every contract or agreement for the construction, improvement, extension or maintenance of its plant, works or system exceeding in amount $1,000,000
586.5 Waiver of rule. Any public utility company may apply to this commission for a waiver or modification of all or part of the requirements of this Part upon a showing that compliance therewith would be impracticable or unduly burdensome in connection with a particular project, contract or agreement.

CHAPTER VI
Telephone and Telegraph Corporations

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PART 600
RULES GOVERNING THE PROVISION OF TELEPHONE SERVICE TO NON-RESIDENTIAL CUSTOMERS
(Statutory authority: Public Service Law, ðð 92(1), 94(2), 96(1), 117)
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600.7 No additional notice required when payment by check is subsequently dishonored
600.8 Billing Disputes

Section 600.1 Deposits.
(a) Each and every telegraph corporation, telephone corporation and
telegraph and telephone corporation holding subscriber deposits shall
allow to each depositor simple interest on the amount deposited. The
interest rate to be applied to the amount deposited shall be a composite
yield of intermediate term, A-rated corporate bonds, as reported in
financial publications, less costs of administering deposits of 1.75 per
centum per annum. The rate shall be updated effective January 1st each
year, based upon yield information available on the first Friday of
October of the preceding year. The commission will issue an advisory
letter which publicizes the information to assure consistency. Each
corporation shall credit such interest to each depositor, by paying such
interest in cash or deducting it from the amount of a bill for service
at the time prescribed by law or more frequently.

(b) The prudent period of deposit retention referred to in Public
Service Law section 117 may not exceed two years of nondelinquency in
payment of bills rendered.

SO DOC 16C-600.2                                NYCRR
600.2 Notice of discontinuance--definitions.
As used in this Part:
(a) The term suspended or suspension shall mean the interruption of
outgoing service only.
(b) The terms terminated and termination shall mean the interruption
of both outgoing and incoming service.

SO DOC 16C-600.3                                NYCRR
600.3 Notice of discontinuance--time. (a) No telephone corporation
shall suspend service for nonpayment of bills rendered for service, or
for failure to post a required deposit, until:
(1) at least five days after written notice has been served personally
upon the telephone subscriber;
(2) at least eight days after mailing written notice in postpaid
wrapper to the telephone subscriber, addressed to such subscriber at
premises where service is rendered; or
(3) at least five days after the telephone subscriber has either
signed for or refused a registered letter containing written notice
addressed to such subscriber at premises where service is rendered.

(b) No telephone corporation shall terminate service for nonpayment of
bills rendered for service, or for failure to post a required deposit, until:
(1) at least 10 days after written notice has been served personally
upon the telephone subscriber;
(2) at least 13 days after mailing written notice in postpaid wrapper
to the telephone subscriber, addressed to such subscriber at premises
where service is rendered; or
(3) at least 10 days after the telephone subscriber has either signed
for or refused a registered letter containing written notice, addressed
to such subscriber at premises where service is rendered.

(c) Notwithstanding any provision of this section, no telephone
corporation which has suspended service for nonpayment of bills
rendered, or for failure to post a required deposit, shall terminate
such service until five days after the date on which suspension of
service shall have occurred.

(d) No telephone corporation shall suspend or terminate service for
nonpayment of bills not actually rendered, except with the consent of
the subscriber.
(e) If the telephone subscriber has specified to the company in writing an alternate address for billing purposes, the notice authorized under this section shall be sent to such alternate address in lieu of to the premises where service is rendered.

(f) No telephone corporation shall discontinue service for nonpayment of bills rendered, or for failure to post a required deposit, unless it shall have verified that payment has not been received through the end of the notice period required by this Part; or that payment has not been posted to the customer's account as of the opening of business on the day disconnection occurs.

600.4 Notice of discontinuance--format. (a) Every notice indicating suspension or termination of service shall:

(i) clearly indicate in nontechnical language and, where practicable, in a bilingual format:

(ii) the reason for suspension or termination of service;

(iii) the total amount required to be paid by the subscriber before service is restored;

(iv) a method whereby the subscriber may tender payment of the full sum due and owing, including any required deposit, to avoid the discontinuance of his service;

(v) the availability of company procedures to consider customer complaints prior to discontinuance, including the address and phone number of the office of the telephone company the subscriber may contact in reference to his account; and

(vi) the earliest date on which suspension or termination may be attempted.

600.5 Suspension or termination for abandonment of facilities. (a) No telephone corporation shall suspend or terminate service on the grounds that a subscriber's facilities have been abandoned or are being used by unauthorized persons unless such corporation shall first determine by an on-premises inspection, or such other means as are necessary, that such facilities have in fact been abandoned or are being used by unauthorized persons.

(b) In the event that telephone service is suspended or terminated in accordance with subdivision (a) of this section, and that service is subsequently restored to the same subscriber at the same location:

(i) no charge shall be made for the period during which service had been suspended or terminated; and

(ii) no charge shall be made for the restoration of that service if suspension or termination was in error.

600.6 No discontinuance on Saturday, Sunday, public holiday, or day on which the main business office of the company is not open for business. No telephone corporation shall discontinue service to any person for nonpayment of bills or for failure to post a required deposit on a Saturday, Sunday, public holiday, or day on which the main business office of the company is not open for business. For purposes of this section, "public holiday" shall refer to those holidays enumerated in the General Construction Law.

600.7 No additional notice required when payment by check is subsequently dishonored. Receipt of a subsequently dishonored negotiable
instrument in response to a notice of discontinuance shall not constitute payment of the customer's account, and no telephone corporation shall be required to issue additional notice prior to discontinuance.

600.8 Billing disputes. (a) Every telephone corporation shall establish procedures whereby any complaint filed with such corporation by any customer thereof in regard to any bill for service rendered, or any deposit required, will be promptly investigated in an appropriate and fair manner, with the result of such investigation being promptly reported to the complaining customer. Such procedures shall allow the acceptance and processing of complaints submitted in simple manner and form. Regardless of whether a notice of discontinuance has previously been sent, the utility's procedures shall provide that, pending the utility's investigation, it shall not discontinue service or issue a notice of discontinuance; provided, however, the consumer may be required to pay the undisputed portion of a disputed bill or deposit to prevent discontinuance or the issuance of a notice of discontinuance.

(b) If, after the completion of such an investigation, the utility determines that the disputed service has been rendered, or that the disputed charge or deposit is proper, in whole or in part, the utility may require the full bill or deposit or the appropriate portion thereof to be paid; in such event, appropriate notice of the determination shall be given to the customer, and where notice of discontinuance of service has previously been sent, or is served with the determination, such notice shall include a statement advising the customer of the availability of the commission's complaint handling procedures. The utility's procedures may provide for discontinuance of service if the customer fails to pay such required amount after receipt of proper notice, provided that a customer's service will not be discontinued until at least five days after notice of the utility's determination, where personal service is made upon the person supplied, or at least eight days after mailing of such a notice; and provided further that no discontinuance may occur if so precluded by the commission pursuant to section 11.2(d) of this Title.

(c) The utility's procedures shall provide that, where the complaint procedures of the commission pursuant to Part 12 of this Title have been invoked and it is determined that the disputed service has been rendered, or that the disputed charge or deposit is proper, in whole or in part, a customer's service will not be discontinued for failure to pay the amount found appropriate until at least 15 days after notice of the commission's determination.

601.1 Free service prohibited

Section 601.1 Free service prohibited. Each and every telephone corporation within this State subject to the jurisdiction of this commission shall be informed by circular that the practice of free trial service installations is regarded by this commission as unlawful, and the company engaging in the same is subject to the forfeiture and
penalties prescribed by section 25 of the Public Service Law.

Note: The above section was promulgated in 1911 as case No. 2108 (second District).

PART 602
CONSUMER RELATIONS AND OPERATIONS MANAGEMENT
(Statutory authority: Public Service Law ñ 4(1) and 94(2))

Sec.
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602.2 General Provisions
602.3 Customer Service Centers
602.4 Public Information
602.5 Service Orders
602.6 Billing
602.7 Consumer Complaints and Trouble Reports
602.8 Operator Services
602.9 Intercept
602.10 Directories

602.1 Definitions.

The following definitions apply to Part 602, Consumer Relations, and Part 603, Service Standards Applicable to Telephone Corporations:

(a) Service Provider - A telephone corporation certified in New York State with the authority and tariff to provide local exchange service using either its own or leased facilities.

(b) Basic Local Service - The provision of access to: one party line service, local/toll calling, local usage, tone dialing, emergency services, assistance services, telecommunications relay services, directory listings, privacy protections and non-published service associated with the public switched network.

(c) Local Exchange Service - Any form of switched telecommunications provided within a defined geographic area known as the local calling area.

(d) Customer Service Center - Any functional entity where consumers can initiate communication with the service provider for installation, billing, repair, operator and other services.

(e) Access Line - A telecommunications channel of varying size with an associated telephone number.

(f) Business Office - Any functional entity which accepts service orders, billing inquiries and/or provides consumer information.

(g) Repair Office - Any functional entity which receives trouble reports.

(h) Trouble - A trouble is an impairment of the telephone network, or a deviation from its design specifications.

(i) Customer Trouble Report - The record of when the repair office personnel receives notification of a trouble or perceived trouble by a subscriber, third party, or employee acting as a subscriber or when other employees receive notification of a trouble or perceived trouble by a subscriber, third party, or employee acting as a subscriber and refers the report to the repair office.

(j) Initial Report - The first customer trouble report associated with a specific trouble for which there is no pending report.

(k) Out-Of-Service - A classification of a trouble report where the customer indicates either: (1) an inability to complete incoming or
outgoing calls; or (2) the presence of interference which causes connected calls to be incomprehensible. Other service difficulties (slow dial tone, busy circuits, etc.) shall not be considered out-of-service conditions.

(1) Service Affecting – All trouble reports not categorized as out-of-service will be considered service affecting.

(m) Final Trunk Group – The last choice group of common interoffice communications channels for the routing of local, operator and/or toll calls.

(n) Operator Assistance – The act of providing a consumer with help in placing a call including collect, third party billed, person-to-person and emergency calls.

(o) Answer – The point in time when a call has been delivered to a representative who is ready to render assistance and/or accept the information necessary to process the call. An acknowledgment that the customer is on the line does not constitute an answer.

(p) Subsequent Report – Any customer trouble report that is received prior to the closing of its associated initial report.

. SO DOC 16C-602.2   NYCRR
602.2 General Provisions.

As indicated by their wording, a number of regulations in this Part prescribe the normal procedures and practices to be directed in good faith by the service provider. However, the regulations in this Part are not intended to govern the implementation of such procedures in individual instances. The execution or nonexecution of such procedures and practices in individual instances is not the sole indicator of whether the service provider has provided adequate service to a particular consumer or group of consumers.

. SO DOC 16C-602.3   NYCRR
602.3 Customer Service Centers.

(a) Service providers shall ensure that customers have convenient access, by a toll free telephone number or in person, to customer service centers.

(b) In instances where automated responses are used to handle billing or repair issues, service providers shall configure their menu system such that a consumer is able to be routed to a representative for billing or repair issues within 60 seconds from the time the automated response begins. In addition, service providers may use additional means of access (e.g., the Internet) that are not subject to this provision.

(c) Service providers shall provide notice to their customers and to the public as to the means of contacting their customer service centers by notice on the bill and other appropriate means.

(d) Customer service centers ordinarily shall be accessible to consumers during the normal working hours in the community being served and at such other times and in such other places as may be warranted in Sections 602.6(d) and 602.7(b).

(e) Service providers shall strive to provide trained and qualified customer contact personnel.

. SO DOC 16C-602.4   NYCRR
602.4 Public Information.

Access to the following information shall be made available upon request:

(a) Rate information applicable to the area served by the service provider, as provided by Part 630 of this title.
(b) Where a provider's rates are based upon rate area boundaries, maps, listings or other formats used by the provider showing rate area boundaries sufficiently detailed that mileage or zone charge can be determined.

(c) Information pertaining to changes in services and rates as proposed in an informational filing or a pending tariff or rate filing.

(d) Upon receipt of a request from a consumer for copies of the above described information, the service provider will provide a single copy of the information requested, up to 25 pages, without charge.
customers' bills, which shall be issued monthly unless provided otherwise by tariff. Local service charges may be billed one month in advance and may be listed as a single flat fee. All toll charges shall be itemized to allow consumer identification unless provided otherwise by tariff.

(b) Credit shall be granted for any call for which a charge applies when the consumer has reported that a wrong number was reached or for that portion of a call the consumer has reported as inadequate for communication, unless there is reason to believe that an adequate connection to the desired party was effected.

(c) Service providers shall require that agents authorized to receive bill payments on their behalf normally mail or report consumers' payments within one business day.

(d) Service providers shall have a representative available for the purpose of explaining charges on bills and to adjust bill errors.

(e) Upon reasonable consumer request, each service provider shall provide itemized statements of charges, if feasible, and if a customer disputes a bill, available call detail bill information shall be provided at no charge. However, requests for detailed bill information normally bulk billed may be provided at an additional charge pursuant to tariff.

. SO DOC 16C-602.7                               NYCRR
602.7 Consumer Complaints and Trouble Reports.

(a) Service providers shall provide full and prompt investigation of complaints, oral or written, received either through normal reporting channels or through the Commission, and appropriate responses shall be made with respect to complaints.

(b) Service providers shall have a representative available to receive customer trouble reports at all hours.

(c) Troubles of an emergency nature shall be cleared at all hours, consistent with the bona fide needs of consumers and the personal safety of service provider personnel.

(d) All other out-of-service troubles not requiring unusual repairs shall normally be cleared within 24 hours excluding Sundays and holidays.

(e) Commitments made with consumers should be kept. In the event of unavoidable change by the service provider, such as if unusual repairs are required, or rehabilitation programs or other factors preclude clearing of reported trouble promptly, reasonable attempts shall be made to notify the customer as to when the trouble will be cleared.

(f) During major service outages of extended duration, the service provider shall make every effort to inform the general public of the details of the outage, including the areas affected and a schedule for expected service restoral. Whenever reasonable and practical, affected offices shall be intercepted and callers advised that a service outage has taken place, in accordance with accepted industry standards.

(g) All local service providers shall assist consumers reporting obscene, threatening or harassing calls, to help in eliminating such calls.

. SO DOC 16C-602.8                               NYCRR
602.8 Operator Services.

(a) Each service provider shall provide access from its exchanges at all hours to local assistance operators who shall be capable of connecting calls to appropriate emergency services and/or other operator
services normally provided by local exchange companies or their
designees, if the service provider is responsible for handling the call.

(b) All telephone corporations, either individually or in concert with
other telephone corporations operating within the State, shall be
responsible for insuring the provision of a relay system to enable
communications between persons with hearing or speech disabilities, who
use non-voice terminal devices, and persons of normal hearing and or
speech who use conventional telephones. The system shall operate on a
24-hour basis. All telephone corporations shall provide annual notice to
advise customers of this service. Pertinent information regarding the
relay system shall be included in telephone directories.

(c) All service providers shall provide network overflow to local
operators on all originating trunking that carries emergency calls
destined for Enhanced 911 emergency report centers. Each such call
overflowing to the operator shall be identified as an emergency call,
and the operator shall have Automatic Number Identification on the
telephone line used by the calling party. As an alternative to provision
of overflow to the operator on an originating basis, service providers
may install originating trunking from end offices to Enhanced 911
emergency report centers in such a manner that blocking on such trunks
is engineered for less than half the normal blocking design of the
public switched network. On a terminating basis from the last central
office to the emergency report center, overflow to the operator
(including Automatic Number Identification and an indication that the
call was originally destined for an emergency center) shall always be
provided.

SO DOC 16C-602.9
602.9 Intercept.

(a) Intercept shall consist of operator intercept or a suitable
recorded announcement, providing sufficient information to callers to
indicate the reasons for being intercepted as well as directions to
assist them in completing the call.

(b) The service provider shall normally provide intercept service for
the following minimum periods:

(1) In case of a customer-initiated residence number change, either
sixty days or the remaining life of the normal alphabetical directory
(including local directories), published by the serving service provider
or on its behalf, in which the old number appears plus thirty days,
whichever is shorter.

(2) In case of customer-initiated business number change, either sixty
days or the remaining life of the normal alphabetical directory
(including local directories), published by the serving service provider
or on its behalf in which the old number appears plus thirty days,
whichever is shorter.

(3) In case of a company-initiated number change, one hundred and
eighty days or the remaining life of the normal alphabetical directory
(including local directories), published by the serving service provider
or on its behalf in which the old number appears plus thirty days,
whichever is longer. If at the time of change the new number is noted in
all of the aforementioned current directories, intercept will be
provided for thirty days.

(c) Service providers shall strive to update intercept records within
24 hours of a number change.

(d) Each service provider shall provide intercept on calls to
non-working numbers, codes, vacant levels, etc., where reasonable and practical.

(e) The local service provider shall not impose charges for intercepted calls.

.50 DOC 16C-602.10

NYCRR

602.10 Directories.

(a) All service providers shall publish directories, or cause their numbers to be published. Directories shall be regularly published at approximately yearly intervals. The interval between directories shall not exceed 15 months without express Commission approval. The form of directories shall ordinarily conform to the following criteria:

(1) A directory shall be in such form and list such information, as will permit the numbers of local exchange customers in the area covered by the directory to be obtained, except for public telephones and numbers unlisted at a customer's request.

(2) Information pertaining to emergency calls to such agencies as the police and fire departments shall appear conspicuously in the opening pages of the directory.

(3) Instructions concerning the placing of local and long distance calls, shall appear conspicuously in the opening pages of the directory. This section shall include access codes that can be used for placement of long distance calls, for those interexchange carriers agreeing to have their codes published. Directories will also include a telephone number for contacting each local service provider that serves the area covered by the directory at no additional cost to the service provider being listed.

(4) The introduction to the directory shall instruct customers to call the local service provider from which they receive service for information on billing, party lines, annoyance call procedures, emergency calling procedures and how to obtain tariff information.

(b) Each service provider shall distribute at no charge to its customers within a local exchange area, a copy of the local exchange directory for that area, and one additional copy shall be provided for each working telephone number upon request. A copy shall be filed with the Commission.

(c) A service provider shall furnish its directory databases to all directory assistance service providers on terms and conditions no less favorable than the service provider furnishes such databases to its own or affiliated directory assistance service operations.

(d) In the event of an error in a number published in the directory, the service provider shall intercept calls to the published number for the life of the directory where such number is not already in service. Where the published number is in service, the party served by it shall be given appropriate transfer information, and also the opportunity for a number change (at no charge). In that event, the normal practice shall be to place the published number on intercept, for the life of the directory listing plus 30 days.

(e) Reasonable advance notice shall normally be given to the consumers affected when a service provider has cause to change a large group of numbers, even if such changes coincide with a directory issuance.

.50 DOC 16C-PT603

NYCRR

PART 603

SERVICE STANDARDS APPLICABLE TO TELEPHONE CORPORATIONS
(Statutory authority: Public Service Law 66 (4)(1) and 94(1)
603.1 General Provisions

(a) This part shall apply to telephone corporations that provide local exchange service.

(b) As indicated by their wording, a number of the regulations in this Part prescribe the normal procedures and practices to be directed in good faith by the service provider. However, the regulations in this Part are not intended to govern the implementation of such procedures in individual instances. The execution or non-execution of such procedures and practices in individual instances is not the sole indicator of whether the service provider has provided adequate service to a particular consumer or group of consumers.

(c) The standards set forth herein relate to the quality of service under normal operating conditions. They do not establish a level of performance to be achieved during periods of emergency, catastrophe, natural disaster, severe storm or other events affecting large numbers of consumers nor shall they apply to extraordinary or abnormal conditions of operation, such as those resulting from work stoppage, civil unrest, major transportation disruptions or other events beyond a service provider's control.

603.2 Measurements

(a) Service providers shall gather accurate data consistent with the definitions contained in Section 602.1 for those measures indicated by subsection 603.4(c) and:

(1) keep performance records and retain them as specified by Part 651 for each entity level as defined in subsection 603.3 and maintained in a manner that permits audit by Commission staff, and

(2) measure answer time performance as defined in subsection 603.3, for customer service centers that receive a monthly average of more than 275 calls per working day for three consecutive months. Excluded from this provision is any group of specialized business account representatives established to address the needs of a single large business customer, or a small group of such customers.

603.3 Metrics and Performance Thresholds

(a) This section sets forth the metrics and performance thresholds that each service provider is expected to meet or exceed related to maintenance service, installations, network performance and answer time.

(b) (1) Customer Trouble Report Rate. This is composed of two metrics. The first metric is defined as the number of initial customer trouble reports per hundred access lines per month and has a performance threshold of 5.5 or less for each central office. The second metric is applicable to service providers with 7 or more central offices, and is defined as the percentage of a service provider's total central office entities that perform at or below 3.3, and has a performance threshold of at least 85%.

(2) Reports included in the Customer Trouble Report Rate are limited
to troubles associated with the regulated components of residential, business, Centrex and pay telephone service of the service provider's customers, and also includes all regulated features associated with these services except voice mailboxes.

(3) Customer trouble reports received as a result of any network failure are included in the report rate.

(4) Separate trouble reports should be recorded and included in the customer trouble report rate for multiple-line customers, for each access line identified by the customer.

(c)(1) Percent Out-Of-Service Over 24 Hours. This metric is defined as the monthly percentage of customer trouble reports classified as out-of-service which are not cleared within 24 hours. The performance threshold for each maintenance administrative entity is 20% or less.

(2) Only trouble reports included in the customer trouble report rate shall be used to determine the percent out-of-service over 24 hours.

(d) (1) Percent Service Affecting Over 48 Hours. This metric is defined as the monthly percentage of customer trouble reports classified as service affecting which are not cleared within 48 hours. The performance threshold for each maintenance administrative entity is 20.0% or less.

(2) Only trouble reports included in the customer trouble report rate shall be used to determine the percent service affecting over 48 hours.

(e) Percent Initial Basic Local Exchange Service Line Installations Completed Within Five Days. This metric is defined as the monthly percentage of initial basic local exchange service line installations completed within five working days (following the day the order is received) and has a performance threshold of 80.0% or greater for each installation administrative entity. This provision shall apply to the primary installation of service as follows: (i) the initial residential line; or (ii) the initial business customer order of five lines or less.

(f) (1) Percent Installation Commitments Missed. This metric is defined as the percentage of installation commitments missed per month and has a performance threshold of 10.0% or less for each installation administrative entity.

(2) A missed installation commitment occurs when initial basic local exchange service is not provided to the consumer's interface on or before the end of the day of the appointment interval with the customer except when due to consumer fault or other condition as defined in subsection 603.3(f)(3).

(3) For purposes of this Section, the terms Consumer Fault and Other are defined to include the following:

(i) Consumer fault occurs when during the appointment interval, the consumer is not ready, there is not access to or there exists unsafe conditions at the consumer's premises, or on or before the commitment date the consumer requests a later date.

(ii) Other circumstances such as set forth in subsection 603.1(c) or the need to reassign a significant portion of the service provider's installation work force in order to re-establish service to existing customers who lost service as a result of circumstances set forth in subsection 603.1(c).

(g) Percent Final Trunk Group Blockages. This metric is defined as the monthly percentage of blocked calls on any local, toll and local operator final trunk groups and has a performance threshold of 3.0% or
less for each final trunk group.

(h) (1) Business Office Answer Time. This metric is defined as the monthly percentage of consumer calls of the business office answered within 30 seconds. The performance threshold for each administrative entity is 80.0% or greater.

(2) Calls answered, 15% of calls abandoned, and 10% of calls blocked or routed to an intercept message are to be included when determining the total number of calls to be answered.

(i) (1) Repair Office Answer Time. This metric is defined as the monthly percentage of consumer calls for repair office service answered within 30 seconds. The performance threshold for each administrative entity is 80.0% or greater.

(2) Calls answered, 15% of calls abandoned, and 10% of calls blocked or routed to an intercept message are to be included when determining the total number of calls to be answered.

(j) Operator Assistance Answer Time. Service providers may elect to report operator assistance answer time under either (i) or (ii) below.

(i) This metric is defined as the monthly percentage of calls for operator assistance service answered within 10 seconds. The performance threshold for each administrative entity is 90.0% or greater.

(ii) This metric is defined as the monthly average speed of answer of calls for operator assistance. The performance threshold for each administrative entity is 3.0 seconds or less.

(iii) For purposes of calculating performance under (i) above, count those calls answered, 15% of calls abandoned, and 10% of calls blocked or routed to an intercept message when determining the total number of calls to be answered.

(k) The following table summarizes the foregoing metrics and performance thresholds.

<table>
<thead>
<tr>
<th>PERFORMANCE METRIC</th>
<th>PERFORMANCE THRESHOLD</th>
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<td>Maintenance Service:</td>
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<td>Customer Trouble Report Rate (Initial Reports)</td>
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<tr>
<td>Per individual central office entity</td>
<td>5.5 or less</td>
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<tr>
<td>Percentage of total entities (for those providers with 7 or more offices) at 3.3 or less</td>
<td>85.0 or more</td>
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<tr>
<td>Percent Out-of-Service Over 24 Hours</td>
<td>20.0 or less</td>
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<tr>
<td>Percent Service Affecting Over 48 Hours</td>
<td>20.0 or less</td>
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<td>Installation Performance:</td>
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<tr>
<td>Percent Initial Basic Local Exchange Service Line Installations Completed Within 5 Days</td>
<td>80.0 or greater</td>
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<td>Percent Installation Commitments Missed</td>
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<td>Network Performance:</td>
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<tr>
<td>Percent Final Trunk Group Blockages</td>
<td>3.0 or less</td>
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<td>Answer Time Performance:</td>
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<td>Business Office Answer Time % Answered within 30 sec.</td>
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<td>Repair Office Answer Time % Answered within 30 sec.</td>
<td>80.0 or greater</td>
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<tr>
<td>Operator Assistance Answer Time % Answered within 10 sec.</td>
<td>90.0 or greater</td>
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<tr>
<td>Average Answer Time in sec.</td>
<td>3.0 or less</td>
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603.4 Reporting Requirements.

(a) The Director of the Office of Communications shall issue guidelines prescribing the format, content and reporting times (except where otherwise prescribed herein) of each of the reports required pursuant to this Part. The Director's guidelines shall be reasonable, practical, give due consideration to the format of the reports utilized by the service providers in the operation of their business, and be subject to de novo review by the Commission in the event of a dispute.

(b) Each report shall arrive at the Commission office no later than 30 days following the end of the report period (or such shorter interval as may be reasonable and practical and agreed upon between the Director of the Communications Division and the service provider).

(c) Unless otherwise specified by the Director of the Communications Division, the following terms for service performance shall apply:

(1) Service providers with 500,000 or fewer access lines in service shall only report on Customer Trouble Report Rate.

(2) Service providers with over 500,000 access lines in service shall report on all of the service metrics of Subsection 603.3.

(d)(1) For all the service quality metrics subject to reporting under Subsection 603.4(c) except Customer Trouble Report Rate and Percent Final Trunk Group Blockages, whenever a performance measure is not at or better than the performance threshold for the current month and any two of the previous four months, a service provider shall automatically submit to the Commission staff a Service Inquiry Report, as defined in Subsection 603.4(e).

(2) For Customer Trouble Report Rate, a service provider shall automatically submit to the Commission staff a Service Inquiry Report whenever an individual central office entity experiences 5.5 reports per 100 lines or greater for the current month and any two of the previous four months, or if a service provider has 7 or more central offices and less than 85% of its central office entities experience 3.3 reports per 100 lines or less for the current month and any two of the previous four months.

(3) For Percent Final Trunk Group Blockages, a Service Inquiry Report shall automatically be filed whenever performance is not at or better than 3.0 percent for three consecutive months.

(4) In addition, Commission staff may request a Service Inquiry Report where deemed appropriate.

(e) A Service Inquiry Report means a report which provides an explanation for the condition giving rise to the report, where readily determinable, and the number of consumers affected. It shall further include plans for corrective action including expectations of restoring service to adequate levels, or an explanation of why the corrective action details do not apply in this specific instance. The report shall be filed within 21 calendar days of a qualifying event as defined in Section 603.4(d). Addenda will be made to the report as necessary if the reporting service provider identifies important additional information and/or substantially modifies its corrective action plan as described in the Report.

(f) A service provider may request an exemption from any or all of the reporting requirements of Section 603.4, if that provider can demonstrate that the services are provided through the resale of another service provider's tariffed services or purchase of another service
provider's Unbundled Network Elements (UNEs) over which it has no direct control. The Director of the Office of Communications will grant or deny such exemption requests on a case-by-case basis.

NYCRR 603.5 Service Interruptions.

(a) Each service provider shall establish and implement procedures regarding the construction, operation, and maintenance of its network, which are intended to minimize service failures, cable cuts, sudden increases in traffic, employee absences, fires, severe storms, and floods and which are intended to maintain, to the extent practical and reasonable, continuous operation of its service in the event of commercial power loss, except where such power is provided by the consumer.

(b) In executing section 603.5(a), each service provider is expected to:

(1) Maintain emergency contingency plans designed to assist personnel to prepare for emergencies, perform repairs and service restorals in the aftermath of such events, and assess company performance and identify opportunities for improvement after conditions have been normalized. An original copy of each service provider's emergency contingency plan and any subsequent updates shall be filed with the Director of the Office of Communications. The names and telephone numbers of individuals and any information which, in the opinion of the service provider, could compromise its ability to protect the network against vandalism, terrorist acts, or other potential threats to the network, may be redacted from the copies of the emergency contingency plans and updates filed with the Director of the Office of Communications pursuant to this Section.

(2) Report major service interruptions to Commission staff per guidelines issued by the Director of the Office of Communications pursuant to Subsection 603.4(a).

(3) Be guided by accepted industry guidelines and best practices, such as the findings and recommendations of the FCC's Network Reliability Councils, relating to fiber optic, signaling, switching, digital cross-connect and power systems, 911, fire prevention, mutual aid and restoration, performance, interconnections, changing technologies, emergency communications, and other topics related to network reliability.

(c) In the event that service must be interrupted for purposes of working on the lines or equipment, the service provider's work scheduling procedures shall provide that an attempt be made to do the work at a time which will cause minimal inconvenience to consumers and, where reasonable and practical, to notify consumers in advance of the interruption. The service provider's procedures shall make provision for the availability of required emergency services for the duration of the interruption.

(d) On lines that have been voluntarily suspended or temporarily suspended for non-payment, access should continue to be provided to emergency services such as 911 or to an operator for emergency calling during the suspension period.
Section 604.1 Definitions. Unless the context otherwise requires, as used in this Part and Part 608 of this Title:

(a) The term distribution facility means the telephone cable, wire and associated hardware used to provide service to one or more customers;

(b) The term feeder facility means connecting cable, conduit or poles that are installed between a telephone switching station and distribution facilities outside, within or through a residential subdivision;

(c) The term underground telephone facilities means a system in which all cable, service wire, conduit and manholes are placed below ground, either direct buried or in conduit, as specified needs dictate, and may include:

(1) rear wall cable placed on row houses; and

(2) pedestal terminals necessary to facilitate installation, operation and subsequent maintenance of the underground distribution system.

(d) The term applicant means a developer, builder, person, partnership, association, corporation or governmental agency applying for construction of telephone facilities.

(e) The term residential building means a structure enclosed within exterior walls or fire walls which is built, erected and framed of component structural parts and is designed for permanent residential occupancy.

(f) The term multiple occupancy building means a structure (including row houses) enclosed within exterior walls or fire walls which is built, erected and framed of component structural parts and is designed to contain four or more individual dwelling units for permanent residential occupancy.

(g) The term residential subdivision means a tract of land divided into five or more lots for the construction of five or more new residential buildings or the land on which new multiple occupancy buildings are to be constructed, the development of either of which has been approved (or was required to be approved) by governmental authorities having jurisdiction over land use, which authorities include:

(1) the Department of State, pursuant to article 9-A of the Real Property Law;

(2) the Department of Environmental Conservation, pursuant to article 15, Titles 5, 15 and 27, article 17, Title 15 and article 24 of the Environmental Conservation Law;

(3) The Adirondack Park Agency, pursuant to sections 809 and 810 of the
Executive Law and article 15, Title 27, and article 24 of the Environmental Conservation Law;
(4) any Department of Health, pursuant to article 11, Title 2 of the Public Health Law;
(5) counties, pursuant to section 239-d(7) of the General Municipal Law;
(6) cities, pursuant to sections 32, 33 and 34 of the General City Law;
(7) villages, pursuant to section 179-k, 179-l and 179-m of the Village Law; and
(8) towns, pursuant to sections 276, 277 and 278 of the Town Law.
(h) The term public R/W means the area within the territorial limits of any street, avenue, road or way that is for any highway purpose under the jurisdiction of the State of New York or the legislative body of any county, city, town or village, that is open to public use and that may be used for the placement of utility facilities.
(i) The term R/W (right-of-way) means a right to pass over, occupy or use another's land for placing and maintaining utility facilities.
(j) The term new construction means the installation of new telephone, distribution or feeder facilities on any R/W where no overhead telephone facilities previously existed.
(k) The term VSR means a visually significant resource:
   (1) designated primarily or exclusively because of its exceptional, outstanding, significant, special or unique scenic quality, pursuant to State or Federal enabling legislation; and
   (2) listed in section 608.2(h) of this Title.
(l) The term Commission means the Public Service Commission of New York State.
(m) The term utility means a telephone corporation subject to the jurisdiction of the Commission.

Obligations of applicants and utilities.
(a) Within an applicant's residential subdivision, each utility shall construct, own, operate and maintain underground distribution and feeder facilities along public R/W and on public land and private property across which a R/W satisfactory to such utility is obtained.
(b) Before construction may proceed, the applicant shall first have:
   (1) either:
      (i) delivered to the utility, free from cost, any necessary R/W agreements; or
      (ii) paid in advance or agreed in writing to pay the utility any charge relating to the utility's acquisition of the necessary R/W agreements, so long as the applicant indicates to the utility in writing that the applicant has been unable to obtain such agreements;
   (2) in the case of nonresiding applicants, cleared any R/W necessary for the provision of utility service, at no charge to the utility, of tree stumps, brush, and other obstructions and graded such R/W to within six inches of final grade where telephone facilities will be installed; or
   (3) in the case of nonresiding applicants, provided a survey map certified to by a licensed professional engineer or land surveyor and certified to as final by the applicant, showing the location of each dwelling (if known), lot, sidewalk and roadway, if requested to do so by the utility;
   (4) in the case of a nonresiding applicant, placed, and agreed to
(5) in the case of a nonresiding applicant, furnished to the utility, or agreed to furnish, a map showing the location of all existing and proposed underground facilities as soon as the location of such facilities is known.

(c) In the case of a nonresiding applicant, the applicant shall maintain the required clearance and grading during construction by the utilities.

604.3 New construction of underground facilities in residential subdivisions.

(a) This Part applies to the new construction of distribution and feeder facilities within residential subdivisions. Nothing in this Part shall be construed to compromise the ability of a state or local agency to require underground facilities in the exercise of its land use or environmental protection authority.

(b) Any distribution or feeder facility necessary to furnish permanent telephone service to one or more multiple occupancy buildings (including four or more dwelling units) shall be installed underground and any such facility necessary to furnish permanent telephone service within a subdivision in which it is planned to build five or more new residential buildings shall be installed underground if:

1. the subdivision will require no more than 200 trench feet of facilities per dwelling unit planned within the subdivision; or
2. a utility's tariff provides for such underground service without contribution; or
3. a governmental authority with jurisdiction to do so has required undergrounding; or
4. an applicant requests undergrounding.

Note: The number of dwelling units is the criterion to be used to determine whether installation is required to be underground. In order to ascertain the number of dwelling units, it is necessary to consult the approved subdivision map to determine how many dwelling units are planned. Each lot shown on the map should, in the case of a single family dwelling, be considered to contain one dwelling unit unless there is sufficient contrary evidence to render it unlikely that each lot will contain a separate dwelling unit (e.g., a foundation is constructed occupying two lots). The measurement of trench footage should be the shortest distance required to serve the homes within the subdivision, consistent with the utility's obligation to provide safe and adequate service.

(c) Upon receipt of a proper application, the utility shall inform the electric company and cable television company serving the area in which the residential subdivision is located of the receipt of such application. Upon compliance by the applicant with the requirements of this Part, the utility shall install underground telephone distribution facilities with sufficient capacity and suitable material which, in its judgment, will assure that the applicant will receive safe and adequate telephone service. Such installation shall be undertaken by the utility
as soon as is reasonably possible after receipt of a proper application and shall be made at a time appropriate to render service. Construction will not be delayed by the utility so that the applicant will be delayed in the sale or other disposal of the buildings, or lots, except where such delay is caused by strikes, fire, flood, inclement weather, unavailability of materials, civil disorders, or other conditions beyond the control of the utility.

(d) After distribution or feeder facilities are installed underground in a residential subdivision no overhead circuits shall be installed by a utility within such subdivision.

(e) The utility's tariff must permit the applicant at least to excavate the trench necessary for the underground installation of distribution or feeder facilities within the subdivision, at the applicant's cost and to the utility's specifications.

(f) A utility may install overhead distribution or feeder facilities in a residential subdivision or a section thereof otherwise required to have underground distribution facilities in accordance with subdivision (b) of this section when:

(1) the developer of the subdivision is not primarily engaged in the construction of dwelling units within the subdivision;

(2) no governmental authority having jurisdiction to do so has required underground installation; and

(3) either:

(i) five years have elapsed from the sale of the first lot within the subdivision to the first application for service and the utility has no indication that there will be other new requests for service in the subdivision within six months;

(ii) five years have elapsed from the date of final approval of the subdivision or section thereof, and less than 25 percent of the lots have been sold in the subdivision and every section thereof, except where ten percent or more of the lots in the subdivision or any section thereof have been sold within the last two years;

In cases where overhead installation would be permissible in accordance with condition (3) (paragraph (3) of this subdivision) except that less than five years have elapsed and the utility has reason to believe that the subdivision will not be developed sufficiently soon to permit the orderly utilization of underground facilities installed to serve the initial subscriber(s), the utility may petition the commission to allow overhead installation, which petition shall set forth the relevant economic, engineering and environmental factors.

Note: The term final approval refers to authorization of a residential subdivision by governmental authorities having jurisdiction. A residential subdivision is finally approved when all necessary governmental consents have been obtained to allow the developer of the subdivision to sell lots and/or build residences. If a subdivision needs only be approved by a county health department the final approval of that agency, in accordance with its regulations, when received is final. If the town planning board must give its consent as well, final approval is not obtained until the board and the health department have completed their processes of authorization. A section of a subdivision is the smallest unit of a
subdivision given final governmental approval. If, for example, the developer of a subdivision submits a preliminary plan covering 100 lots but initially only 50 are finally approved, the 50 lot portion is a section of the subdivision. If the subdivision contains sections, the percentage of lot sales required by condition (3) must be met by every section of the subdivision and not just the section in which the distribution facilities are to be installed.

(g) If a utility receives an application for service within a residential subdivision which is governed by the provisions of subdivision (b) of this section and the per-foot cost of installing the necessary distribution or feeder facilities will be greater than two times the cost per foot of installing overhead distribution or feeder facilities, the utility or applicant may petition the Secretary of the Commission to allow overhead installation. Such petition shall be filed in accordance with the requirements of 3.5 of this Title and set forth the relevant economic, engineering and environmental factors. The petition shall be reviewed by staff. The Secretary shall notify the petitioner within 60 days of receipt of the petition either that the petition is granted or that staff objects to it. If staff objects, the petition shall be referred to the Commission for further review. The petition shall be granted or denied based on economic, engineering or environmental factors. If the residential subdivision is located within the Adirondack Park, the utility shall send a copy of the petition to the Adirondack Park Agency.

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604.4 Connection from existing telephone facilities to residential subdivisions. (a) The connection from a telephone switching station to the underground distribution or feeder facility installed within an applicant's residential subdivision shall be made in accordance with the following requirements:

(1) the utility shall install underground without contribution from the applicant an amount of feeder facilities from the boundary line of the residential subdivision equal to 25 feet per dwelling unit or 200 feet, whichever is greater, except as may be required under subdivision (3) of this section; in no event will the utility be required to provide more than 500 feet without contribution by the applicant;

(2) the utility may, at its discretion and expense, install underground additional portions of connecting feeder facilities; and

(3) where any part of a feeder facility in excess of that required by section 604.4(a) (1) of this Part is to be placed overhead, the applicant must submit a written application to the utility at least 75 days prior to the projected commencement of construction of the feeder facility and the utility must report such projected construction to the Commission no later than 45 days before such construction is commenced, the Commission reserving the right to require the underground installation of particular facilities on the basis of the relevant economic, engineering or environmental factors.

(b) In the event a utility intends at its own discretion or is required pursuant to this section to place underground feeder facilities to an applicant's residential subdivision, it shall inform the electric company and cable television company serving the area in which the
subdivision is located. If a new common access route from existing systems to the subdivision will be used, the connecting facilities of the utility, the electric company and cable television company shall be placed underground.

604.5 Deposits by applicants. (a) In order to guarantee performance, a utility may require from an applicant before construction is commenced a deposit equal to the estimated cost of construction. This deposit is in addition to the applicant's payment of its share of costs for installation and such deposit shall be returned to the applicant with interest on a pro rata basis as each new customer is connected with service from the utility at the rate specified by the Commission for interest on deposits.

(b) Any portion of the deposit remaining unrefunded five years after the date the utility is first ready to render service from the underground telephone distribution facility shall be retained by the utility and credited to the appropriate plant account.

(c) Upon the mutual agreement of both a utility and an applicant, a bond may be posted in lieu of any deposit.

604.6 Cooperation by applicants. (a) Each applicant shall cooperate with the utility providing service in an effort to keep the cost of construction and installation of underground telephone distribution facilities as low as possible, consistent with requirements for safe and adequate service, including reasonable provision for load growth and requirements of Part 607 of this Title.

(b) The utility may require that all sewers, water facilities, drainage facilities, and curbs be installed before it commences construction within a residential subdivision.

604.7 Joint activities. To the extent practicable, underground, electric, communication, gas, and cable facilities shall be installed in a common trench when new construction is, or can without undue difficulty, be made simultaneously. Every reasonable effort shall be made to use joint occupancy utility poles to accommodate electric, communication and cable television facilities when new overhead construction occurs.

604.8 Reports.

Each utility shall provide the following information as part of its annual report to the Commission:

(a) the length of trench in new residential subdivisions shared with others;

(b) the utility's average cost per foot of such shared trench;

(c) the length of trench in new residential subdivisions not shared with others;

(d) the utility's average cost per foot of such nonshared trench;

(e) the total length of distribution and feeder facilities placed underground outside residential subdivisions (in cable sheath feet);

(f) the utility's average cost per foot of such distribution and feeder facilities placed underground;

(g) the total length of distribution and feeder facilities placed above ground outside residential subdivisions (in cable sheath feet); and
(h) the utility's average cost per foot of such distribution and feeder facilities placed aboveground.

604.9 Special conditions.

(a) This section governs the new construction of distribution and feeder facilities performed pursuant to this Part.

(b) In unusual circumstances when the application of this Part appears impracticable or unjust to either party or discriminatory to other customers, the utility providing service or the applicant may file a petition, in accordance with the requirements of ñ 3.5 of this Title, for a special ruling or for the approval of special conditions which may be mutually agreed upon before construction is commenced, which petition shall set forth relevant economic, engineering, and environmental factors.

(c) If the utility or the applicant believes that the new construction of underground distribution or feeder facilities within a residential subdivision would be less environmentally desirable than the new construction of overhead facilities, the utility or applicant may request that the Secretary of the Commission grant an exception. The request shall be sent to the Secretary in accordance with the requirements of ñ 3.5 of this Title. The request shall:

(1) as between overhead and underground construction, compare the probable environmental effects associated with the subdivision and any economic, engineering, or other factors considered pertinent to the case;

(2) for those instances where visual values would be diminished by underground construction, indicate factors bearing on probable retention of significant flora (including the utility's practice with respect to trimming trees in a vicinity of the overhead facilities);

(3) be mailed to the Adirondack Park Agency whenever the request will involve construction within the Adirondack Park; and

(4) be reviewed by staff. The Secretary shall notify the utility within 60 days of receipt of the request either that the request is granted or that it objects to the request. If staff objects, the request shall be referred to the Commission for further review.

Requests and petitions shall be granted or denied based on environmental, economic and engineering factors.

(d) Service to a residential subdivision may be supplied overhead if no governmental authority having jurisdiction to do so has required underground installation and the utility can provide such service:

(1) by extending its facilities no more than 600 feet in a cul-de-sac where a portion of the street within the subdivision is served by overhead facilities within or at the entrance of the cul-de-sac;

(2) by connecting an area between existing overhead facilities for a distance of 1,200 feet or less {17};

(3) by installing drop wires to new individual applicants for service from existing overhead facilities; or

(4) where a utility constructs overhead facilities because of paragraphs (1) or (2) of this subdivision, it shall report such overhead construction to the Commission quarterly, along with a description of the project; and

(e) Where a one-pole extension (whether or not it crosses a road) would enable an existing overhead distribution facility to be connected to a proposed distribution facility in a residential subdivision, such
extension may be installed overhead rather than underground; provided.

(17) In order to determine whether 1,200 feet or more of facilities must be constructed to connect existing overhead facilities, the measurement should be along the route of construction. This will usually be the street within the residential subdivision.

604.10 Information on line extension costs. Each utility shall prepare an information sheet describing line extension procedures and costs, to be given to persons inquiring about line extensions.

**PART 605 COMMON CARRIER RULES**

(Statutory authority: Public Service Law, ßß 51 [1] [d], 91 [3], 94[2])

Sec. 605.1 Common carriage
605.2 Availability of services
605.3 Carrier involvement with content

Section 605.1 Common carriage. Pursuant to the Public Service Law and the commission's authority and jurisdiction, the rules set forth in this Part establish certain standards and obligations applicable to telephone corporations operating as common carriers.

(a) Definitions. (1) Common carrier means a corporation that holds itself out to provide service to the public for hire to provide conduit services including voice, data, or video by electrical, electronic, electromagnetic or photonic means.

(2) Conduit means the facilities, functions, or media used for providing electric, electromagnetic, electronic, or photonic transmission of communications, including voice, data or video.

(3) Conduit services means the provision of conduit or functions integrally related to the provision of conduit.

(4) Content means the information or intelligence transmitted over a conduit. Information used solely for the provision of a communications "conduit" is not "content."

(5) Content services means those services offered over common carrier conduits, including, but not limited to, point to multi-point connections, which provide content, employ computer processing applications that act on the format, code, protocol or similar aspects of transmitted content; provide additional, different, or restructured content; or involve user interaction with stored content.

(6) Blocking means the ability to prevent the completion of a telephonic communication to a specified telephone number.

(b) General applicability. (1) These rules are applicable to telephone corporations operating as common carriers, and, except as waived or otherwise stated, shall apply to such corporations.

(2) These rules shall not apply to:

(i) cable television services provided by cable television operators exempted from common carrier regulation under 47 U.S.C. 541(c).

(ii) the provision of content services.

(c) Waivers. Where the commission determines that it is in the public interest, it may, for services or types of carriers, waive any portion of these rules.
605.2 Availability of services. (a) General requirements. Telephone corporations operating as common carriers must provide publicly offered conduit services on demand to any similarly situated user on substantially similar terms, subject to the availability of facilities and capacity. Such services shall be provided by a telephone corporation on a first-come, first-served basis unless a party is able to show in a timely fashion that such provision would be unreasonable or unless otherwise ordered by the commission. Additionally:

1. Conduit services shall be made available as services separate from the provision of content;
2. Interconnection into the networks of telephone corporations shall be provided for other public or private networks; and
3. Segregable services and functions requested by users shall be provided to the extent technically and economically practicable.

(b) Restrictions on network use. No telephone corporation operating as a common carrier shall unreasonably restrict lawful network. No restriction may impede access between a content service provider and a willing customer, except where required by law. All restrictions shall be administered in a least restrictive fashion.

1. Requirements by telephone corporations on users for prior subscription to a particular content service will generally be permissible only where requested by the provider of the service, or required by law, or where a waiver is granted.
2. End-user initiated blocking shall always be available for content services, to the extent technically and economically feasible.
3. Video conduit services. To the extent that a telephone corporation may provide video conduit services, it may do so only so long as it provides adequate capacity to content service providers seeking its video conduit services, and treats all users in a nondiscriminatory fashion.
4. Individualized contracts. Where permitted by the commission, individualized contracts may be offered by telephone corporations operating as common carriers, so long as similarly situated customers are provided, upon request, service upon substantially similar terms. Such contracts may not be used to avoid common carrier obligations.

605.3 Carrier involvement with content.

(a) General requirement. No telephone corporation operating as a common carrier shall exercise control or influence over the content of lawful communications tendered to it for distribution. In turn, it has no liability for the content of tendered communications. This does not diminish a telephone corporation's duty to provide service of adequate transmission quality, capacity and timeliness.

(b) Safeguards against abuse. Telephone corporations operating as common carriers shall make reasonable efforts to inform each content service provider, serving the public at large, of the need for safeguards against abuse of its service, appropriate to the nature of the service and the cost and difficulty of such safeguards. In addition, they shall incorporate in the tariffs or contracts pursuant to which services are made available to information providers, a requirement that such providers adopt and apply procedures reasonably designed to provide safeguards against such abuse, including, but not limited to, the provision of information concerning complaint mechanisms.
Availability of blocking. Telephone corporations shall make available, once technically and economically feasible, facilities giving end-users the ability to block (or delegate the blocking of) individual content services. Until such time that such blocking is readily available, it shall be permissible for telephone corporations to designate particular special interest central office codes which can be blocked at the subscriber's request. Inclusion in such central office codes shall be left to self-selection by the content service provider with independent arbitration and due process protections in the event of a dispute. Such special interest central office codes should be treated nondiscriminatorily, with respect to terms and conditions of services.

PART 606
BILLING AND COLLECTION SERVICES
(Statutory authority: Public Service Law, ð 4[1], 91, 92, 94)

Sec.
606.1 Purpose
606.2 Applicability of rules
606.4 Service disconnections
606.5 Partial payments

Section 606.1 Purpose. This Part sets forth the Commission's rules applicable to the provision of billing and collection services by telephone corporations.

606.2 Applicability of rules. Notwithstanding any other Commission rules or order to the contrary, this Part governs the rights, duties and obligations of every telephone corporation subject to the jurisdiction of the Commission by virtue of Article 5 of Public Service Law and their residential and nonresidential customers concerning the provision of billing and collection services by telephone corporations and the selling of those services to third parties.

606.4 Service disconnections. (a) Where a telephone corporation disconnects services for nonpayment of charges, basic local telephone service may be disconnected only for nonpayment of basic local telephone service charges. Nonpayment of charges for other services (including long distance services provided by local exchange telephone corporations, interexchange telephone corporations, and resellers, and nonregulated services offered by information providers) will not be cause for disconnection of local exchange service if charges for local exchange services have been paid but may result in denial or blocking of the service from the individual provider for which payment has not been received where such blocking is technically feasible, or denial or blocking of the class of services from all providers where the selective blocking is not technically feasible. The technical capability to block service from an individual provider shall be attained as soon as practicable.

(b) When nonpayment of charges for basic local telephone service would result in the disconnection of the service, the local exchange corporation shall adhere to the procedures specified in Part 609 of this Title.
(c) When nonpayment of charges for regulated nonbasic or optional features or long distance calls warrants the denial or blocking of such services, the local exchange telephone corporation may implement such denial or blocking of the services and shall adhere to the procedures specified in Part 609 of this Title.

(d) The denial or blocking of regulated nonbasic or optional long distance and information features and services may not have the effect of restricting a customer's ability to access emergency services by dialing 911 or operator.

(e) Every telephone corporation shall develop a plan detailing how a customer's undesignated partial payments will be assigned among the services billed and how nonpayment of other charges on bills will affect the customer's services. A customer's monthly statement will list, separately, the charges for each service and show any balance due for the service. Further, each telephone corporation shall develop outreach and education programs to advise customers of the assignment plan and the protections against disconnection of services. The assignment plan, revised bill format and outreach and education program shall be submitted to the commission for approval. The outreach and education program shall be approved so long as it reasonably conveys to telephone customers the new information set out in this rule through bill inserts, presentations, advertisements, or other information programs.

606.5 Partial payments. Upon receipt of a partial payment from a telephone service customer, the telephone corporation shall apply the payment as directed by the customer. If the customer does not include directions on how to apply the partial payment to the bill, and there is no billing dispute pending on the account, telephone corporations will apply such a payment in the following order:

(a) The full amount of the partial payment will be applied to basic local exchange services which, for the purpose of these rules, include tone signaling and nonpublished listings, and exclude charges for other features and long distance calls.

(b) Upon satisfaction of the charges identified in subdivision (a) of this section, any residual or subsequent payment received during the same billing period will be applied to the charges for interLATA long distance services billed by the local exchange telephone corporation.

(c) Upon satisfaction of the charges in subdivision (b) of this section, the residual or any subsequent payments received during the same billing period will be applied to the charges for other regulated services provided by the local exchange telephone corporation.

(d) In the event a customer has a billing dispute pending regarding any of the foregoing charges, the amount in dispute will be deducted from the amount owing prior to the application of any payment.

607 UNDERGROUND TELEPHONE CONSTRUCTION

(Statutory Authority: Public Service Law, ññ91(1), 94(2))

Sec.
607.1 Definitions
607.2 Clearance requirements of new subsurface telephone facilities from gas and liquid petroleum lines
607.3 Clearance requirements of subsurface telephone facilities constructed to replace existing facilities
607.4 Standards and practices applicable to the construction and environmental management of subsurface telephone facilities

Section 607.1 Definitions. (a) Subsurface telephone facilities means all underground cable and/or conduit and associated equipment, manholes and any other subsurface structures (including poles and anchors) for purposes of sections 607.2 and 607.3 of this Part, utilized to furnish telephone service and owned or operated by any telephone corporation under the jurisdiction of the New York State Department of Public Service.

(b) Gas transmission facilities means gas pipelines that:
(1) transport gas from a production or underground storage facility to a distribution center or underground storage facility;
(2) transfer gas within a storage field; or
(3) operate at a pressure of 125 PSIG or more.

(c) Gas distribution facilities means underground gas pipelines other than gas transmission facilities and includes gas service lines.

(d) Liquid petroleum pipeline means a pipeline that either:
(1) transports liquid petroleum from a production or storage facility to a distribution center or storage facility; or
(2) transports petroleum within a production field; and
(3) is certified to operate at a pressure of 200 PSIG or more.

(e) Land used in agricultural production (as defined in Agricultural and Markets Law, section 301) means not less than ten acres of land used as a single operation in the preceding two years for the production for sale of crops, livestock or livestock products of an average gross sales value of ten thousand dollars or more. For the purposes of this subdivision, whenever a crop is processed before sale, the average gross sales value shall be based upon the market value of such crop in its unprocessed state. Land used in agricultural production shall not include land or portions thereof used for processing or retail merchandising of such crops, livestock or livestock products. Land used in agricultural production shall also include:
(1) rented land which otherwise satisfies the requirements for eligibility for an agricultural assessment;
(2) land of not less than ten acres used as a single operation for the production for sale of crops, livestock or livestock products, exclusive of woodland products, which does not independently satisfy the gross sales value requirement, where such land was used in such production for the preceding two years and currently is being so used under a written rental arrangement of five or more years in conjunction with land which qualifies for an agricultural assessment;
(3) land used in support of a farm operation or land used in agricultural production, constituting a portion of a parcel, as identified on the assessment roll, which also contains land qualified for an agricultural assessment;
(4) farm woodland which is part of land which is qualified for an agricultural assessment, provided, however, that such farm woodland attributable to any separately described and assessed parcel shall not exceed fifty acres; for purposes of determining average gross sales value, proceeds from the sale of woodland products from farm woodland eligible to receive an agricultural assessment may be included up to a maximum annual amount of two thousand dollars;
(5) land set aside through participation in a federal conservation
program pursuant to title one of the federal food security act of nineteen hundred eighty-five or any subsequent federal programs established for the purposes of replenishing highly erodible land which has been depleted by continuous tilling or reducing national surpluses of agricultural commodities.

(f) Cultivated land (as defined in 1 NYCRR Part 370.2(j)) means land used for growing crops, hay, pasture, and permanent pasture for the preceding two years.

(g) Farm operator means a person who owns or leases land used in agricultural production.

(h) Double-ditching is a method of separately excavating and stockpiling the topsoil layer (i.e., the A horizon) of a respective soil from the subsoil/substratum layers.

(i) Sensitive resources means areas that are likely to be adversely affected by telephone facility construction, including wetlands; streams; waterbodies; springs; wells; rare, threatened and endangered species habitat; unique old forest stands; officially designated scenic areas, officially designated historical and cultural resources; soil resources contained in cultivated lands requiring land management facilities and practices on or below the surface and specialty cropland (for example, vineyards, apiaries, hop fields, orchards, sugar bush, etc).

(j) Noise sensitive uses means those land uses which may be adversely affected by noise; for example, residences, schools, churches, cemeteries, hospitals and outdoor amphitheaters.

(k) Public R/W means the area within the territorial limits of any street, avenue, road or way that is for any highway purpose under the jurisdiction of the State of New York or of a legislative body of any county, city, town or village, that is open to public use and that may be used for the placement of utility facilities.

(l) R/W (right-of-way) means a right to pass over, occupy or use another's land for placing and maintaining utility facilities.

(m) Direct buried cable installation by cable plowing means a procedure using specialized equipment which, in a linked sequence of operations, opens soils to the desired depth, places or lays in a utility service cable and replaces the temporarily disturbed surface soil.

607.2 Clearance requirements of new subsurface telephone facilities from gas and liquid petroleum pipelines. (a) All new subsurface telephone facilities shall be constructed with a standard minimum clearance of 12 inches from gas transmission facilities.

(b) All new subsurface telephone facilities shall be constructed with a standard minimum clearance of six inches from gas distribution facilities.

(c) All new subsurface telephone facilities shall be constructed with a standard minimum clearance of 12 inches from liquid petroleum pipelines.

(d) The standard minimum clearances specified in subdivisions (a), (b) and (c) of this section when not obtainable through practicable means may be reduced to an absolute minimum of four inches, provided that such reduction is agreeable to all companies involved and that protective materials suitable to all companies are placed between the telephone and gas or liquid petroleum facilities for the entire length of such reduced.
clearances.
(e) The standard minimum clearance for underground service laterals shall be four inches from the gas service line. If it is not practicable to achieve this clearance, it may be reduced to an absolute minimum of two inches, provided that all companies involved agree to the reduction and that suitable protective materials are placed between the telephone and gas facilities for the entire length of such clearances.

607.3 Clearance requirements of subsurface telephone facilities constructed to replace existing facilities. Whenever subsurface telephone facilities are replaced for any reason, the new facilities shall be constructed in accordance with section 607.2 of this Part, to the extent reasonable and economically practicable.

607.4 Standards and practices applicable to the construction and environmental management of subsurface telephone facilities.
(a) This section covers the standards and practices which the utilities are expected to follow to minimize adverse environmental impacts associated with the construction of subsurface telephone facilities under Parts 604 and 608 of this Title. In this section, any reference to subsurface telephone facilities does not include poles and anchors.
(b) The standards and practices are not intended to supersede the jurisdiction of any federal, state or municipal agency that has permitting or other regulatory requirements intended to protect environmental resources or values which may be adversely affected by the installation of subsurface telephone facilities. To accomplish the objectives set forth in this section, each utility shall stay in contact with directly affected land owners and governmental agencies having jurisdiction.
(c) Each utility shall use its best efforts to avoid or minimize to the maximum extent practicable, any adverse environmental effects associated with the construction (including clearing and site-restoration activities) of subsurface telephone facilities, by:

1. limiting clearing of trees, shrubs and landscaped areas in accordance with safe construction, operating and maintenance practices;
2. minimizing off R/W impacts by confining construction activities and access to the smallest areas possible, consistent with safe and efficient construction and operation practices;
3. scheduling construction for those times that would minimize damage or disruption to sensitive resources and agricultural production activities (except as otherwise agreed to by the landowner);
4. minimizing disturbances to sensitive resources such as streams, wetlands or rare, threatened or endangered species habitats by limiting machinery movement in or near such resources during construction and throughout the life of the facility;
5. selecting construction and maintenance equipment that minimizes damage to and disruption of soils;
6. minimizing topsoil damage and soil erosion due to grading and other soil-scarifying activities by promptly stabilizing disturbed soil and employing soil separation as appropriate, and thereby preventing erosion and siltation and minimizing compaction; and
7. minimizing traffic disruption when construction vehicles travel along or cross R/W by providing appropriate traffic controls.
(d) The clearing, construction and site restoration practices set forth in the following sections shall be observed by each utility where applicable:

(1) Each utility shall take care to prevent or minimize the grading or piling of soil off the R/W, particularly in cultivated land(s) and near streams and wetlands.

(2) Before constructing a new access road, each utility shall give preference to using existing access to the R/W; however, where steep slopes (over 20 percent) are encountered along the R/W or where soils, which would not support construction equipment or would result in extensive rutting or compaction, are encountered, the construction of either a temporary or permanent off R/W access road shall be considered. However, the placement of permanent access roads in cultivated land shall be avoided wherever possible, unless such roads are requested or agreed to by the landowner or farm operator.

(3) Each utility shall endeavor to complete stream crossings in the shortest amount of time, with the least amount of adverse environmental impact.

(4) Where necessary each utility shall properly install temporary drainage and erosion control devices during clearing and grading operations, appropriately maintain them during construction and incorporate them, where necessary, into final grading operations.

(5) Before grading and trenching, each utility shall make an on-site effort to verify the location of any buried gas lines, water lines, sewer lines, drainage tiles or similar facilities which may be encountered. All such facilities removed, cut, broken or otherwise damaged during facility construction shall be restored or replaced to at least their pre-existing condition, unless the affected property owner declines such restoration or replacement or where such facilities would interfere with the safe and efficient operation and maintenance of the subsurface telephone facilities.

(6) At the project planning stage, before initiating grading or trenching operations in cultivated land on land used in agricultural production (as demonstrated by the affected farm operator), each utility shall discuss with such farm operator and the appropriate County Soil and Water Conservation District the soil characteristics of the project area, drainage, irrigation, cultivation and other land management installations and practices, flood control, the proposed depth-of-cover above the facility and the appropriateness of topsoil segregation. In cultivated land, all cable shall be installed with a minimum 24 inches of cover. However, the farm operator may require a depth-of-cover greater than 24 inches as a condition of permitting a right-of-way across his or her land where necessary to safely accommodate such practices and projects. In such cases, where practicable, the depth-of-cover shall be included in the easement recorded in the County Records Office. All such decisions shall take into account the recommended practices and standards of the United States Department of Agriculture, Soil Conservation Service, as noted in the farm operator's Farm Conservation Plan on file with the County Soil and Water Conservation District. The farm operator shall not be liable for any damage to the buried cable which occurs as a result of land fitting activities including, but not limited to, plowing, sub-soiling and diskng. Cable plow installation may be used in cultivated land unless the land within the area of construction contains subsurface drain
lines. In those cases open trenching shall be used unless the farm operator agrees to cable plow installation. A generic plan and procedure for the repair of drain lines removed, cut, broken or damaged by either method of installation shall be developed by the utility with the Soil Conservation Service and the New York State Department of Agriculture and Markets showing the method(s) for shouldering of the tile drain line repair into the undisturbed trench wall, the support of the repair tile and the maintenance of the drain line's gravity flow. In all cases of removal, cutting, breakage or damage of drain lines during construction by the utility, repairs shall be undertaken at the utility's expense.

(7) Where adverse effects to significant plantings such as ornamental shrubs and trees, as well as visual screens, cannot be avoided during construction, such plants shall be carefully removed and planted in a temporary location and then be returned as close as possible to their original location following back filling. If such plants must be removed and are destroyed, they shall be replaced with species and varieties as close as possible in height, diameter and grade to those removed. Exceptions would be where such vegetation would interfere with the operation and maintenance of the facility, the construction is done at the request of the affected landowner, or where the affected landowner and the utility agree otherwise. If the affected property has been the subject of federal, state or local agency review jurisdiction, the involved federal, state or local agency must also agree to the extent the resulting disturbance affects a condition of a previously issued permit or other approval. Transplanting and plant replacement shall be done consistent with established horticultural practices.

(8) In areas where livestock are confined or farm equipment is operating, all trenches which will remain open overnight or on non-working days shall be temporarily fenced or barricaded, unless the trench shoring or sheeting material extends at least 40 inches above the working surface. Where reasonably determined necessary by the affected landowner or farm operator, temporary access should be constructed to permit persons, vehicles and livestock to cross safely from one side of the trench to the other.

(9) Should dewatering of the trench become necessary, all water shall be filtered and dissipated through appropriate filter material or discharged onto vegetated or graveled areas, to prevent stream siltation and sedimentation and soil erosion. No such water shall be discharged onto cultivated land in the cropping season or directly into regulated streams, ponds or wetlands. If cultivated land receives discharges outside the cropping season, measures shall be applied to dissipate the water to prevent soil erosion.

(10) Engine-powered construction equipment shall be properly muffled and maintained to avoid producing excessive noise. Such equipment shall not be permitted to idle unnecessarily near noise sensitive uses. Near such uses, the quietest equipment which is readily available to each utility and appropriate for the task shall be employed. If blasting is necessary, explosive charges shall be controlled to limit the sound pressure level to 127 dB.

(11) Whenever artifacts or relics which appear to have historic value are uncovered during construction, work shall be stopped immediately at the site of impact and the State Historic Preservation Office shall be notified. Work elsewhere may continue. Construction at the impact site shall not be resumed until the State Historic Preservation Office or its
designated representative determines the significance of the find and, if required, develops a plan to salvage or protect such resource. If prompt clarification of the situation by such officials is not forthcoming or if complications arise, the Commission shall be notified immediately.

(12) In restoring the R/W each utility shall:
   (i) recycle all waste material or dispose of it in accordance with governing rules and regulations;
   (ii) grade the entire disturbed R/W to restore it to original grade and contour, unless changes made to grade and contour are agreed to by the landowner;
   (iii) contact the County Soil and Water Conservation District for the most appropriate seed mix and application rates in the construction area;
   (iv) utilize the most appropriate seed mix and application rate, giving consideration to compatibility with undisturbed areas of the R/W and the surrounding land and consistent with erosion, wildlife and other environmental concerns;
   (v) determine the site-specific seed mix to be applied on active agriculture land in consultation with the affected farm operator;
   (vi) by the end of the workweek in which construction commences, apply mulch (and seed, if no further disturbance is planned) on all disturbed sites at least 20 feet from all streams and wetlands;
   (vii) stabilize all cut and fill banks by employing the most appropriate erosion control devices and techniques;
   (viii) complete stream bank restoration as soon as practicable after the stream crossing installation is completed. If seasonal conditions do not permit final restoration, temporary restoration measures shall be undertaken, with final restoration measures to follow as soon as practicable thereafter; and
   (ix) repair or replace (and leave in a condition equivalent to or better than, the preexisting) all existing installations or improvements, for example, lawns, fences, walls, curbs, sidewalks, culverts, mailboxes, gates, tiles, drainage ditches, waterways, ponds which are disturbed, damaged or destroyed during construction, unless previous arrangements with landowners or farm operators dictate otherwise.

(e) Each utility shall ensure that the construction supervisor who is on the job, appropriately applies the foregoing standards and practices. The supervisor shall also have authority to stop any work that is inconsistent with the intent of this section and to direct appropriate remedial action. Also the supervisor shall obtain a competent specialist's advice on how to deal with any sensitive resources encountered.

PART 608
NEW CONSTRUCTION OF DISTRIBUTION FACILITIES IN CERTAIN VISUALLY SIGNIFICANT RESOURCES OUTSIDE RESIDENTIAL SUBDIVISIONS
(Statutory authority: Public Service Law, §891(1), 94(2))

Sec.
608.1 Applicability
608.2 Procedures and requirements
608.3 Reports
Section 608.1 Applicability. (a) The requirement of section 608.2(a) of this Part applies to the new construction of distribution and feeder facilities (other than pursuant to either the provisions of Part 604 of this Title that require underground construction or to the requirement of any other governmental authority having jurisdiction to require underground construction) on public and private land in VSRs where an agency referred to in subdivision 608.2(h) of this Part:

1. has no statutory authority to require the underground construction of the particular distribution or feeder facility; and
2. has supplied to the affected utility(ies) and to the Commission a map of the particular VSR (at a scale appropriate to such VSR) showing its boundaries in sufficient detail to permit the utility to comply with the requirements of this Part.

(b) Notwithstanding the provisions of this Part, where any electric company has been permitted to install an overhead distribution or service line necessary to furnish permanent electric service in a particular VSR in accordance with the procedures set forth in section 99.2 of this Title, a utility may install a distribution or feeder facility necessary to furnish permanent telephone service overhead using the poles which were used for the electric line.

(c) This Part shall remain in full force and effect for a period of five years after its effective date.

.8 DOC 16C-608.2

608.2 Procedures and requirements.

(a) Each utility shall allocate annually to its own VSR undergrounding fund an amount equal to the greater of:

1. the average of its annual expenditures on the underground installation of new underground distribution and feeder facilities within residential subdivisions for the years 1985, 1986 and 1987; or
2. 0.14% of its 1987 local service revenues.

The amount to be allocated to the fund shall be adjusted for inflation each year according to the Handy-Whitman Index. The amount in the fund is the utility's maximum obligation in a given year. Each utility shall install or provide for the installation of new underground distribution and feeder facilities under this Part unless it has expended its maximum obligation in a given year. Each utility shall spend up to such maximum obligation on its share of the cost of installing such facilities underground that exceeds what an applicant for a line extension would have paid for facilities had the area not been designated as a VSR. If a utility spends in excess of its maximum obligation in a particular year, the excess shall reduce its maximum obligation of the following year by the amount of such excess. After a utility spends its maximum obligation in a particular year, additional VSR undergrounding is not required. If a utility does not spend its maximum obligation in a given year, any unspent portion shall be carried over to the next year.

(b) In addition to other procedures which may apply in connection with the proposed construction of a particular distribution or feeder facility:

1. If a utility has not expended its maximum obligation as described in subdivision (a) of this section in a particular year when it chooses to propose, or receives a written application for service to a premises which necessitates the new construction of distribution or feeder facilities on any public or private land in a VSR, the utility shall provide a written report to the agency which designated or administers
the VSR and any agency having jurisdiction over affected public land and the Commission of its intention to install the necessary distribution or feeder facilities underground or overhead (including a project description and consideration of the factors set forth in subdivision (j) of this section), at least 60 days before construction is planned to commence.

(2) Notwithstanding the provisions of paragraph (1) of this subdivision, a utility may provide the written report described therein within 30 days after the commencement of construction if the necessary distribution or feeder facilities are installed overhead on a temporary basis, pending the review of the utility's report if the visual impact of the temporary service is mitigated, to the extent appropriate, after the procedures of this section are followed.

(3) Notwithstanding the provisions of paragraph (1) of this subdivision, a utility may install permanent overhead facilities if the utility, before installation:
   (i) determines that the situation is an emergency; and
   (ii) obtains the written approval of the appropriate agency(ies); and
   (iii) upon written request, obtains the written approval of the Secretary of the Commission.

(4) If undergrounding is otherwise required in a VSR, and if the per-foot cost of installing the necessary facilities will be greater than two times the charge per foot set forth in the utility's tariff, the utility or the applicant may petition the Secretary of the Commission to allow overhead installation.

   Approvals shall be granted or denied based on economic, engineering, environmental, emergency or hardship conditions.

(c) Unless the agency(ies) described in subdivision (b) of this section provide(s) written notification in-hand to both the utility and the Commission objecting to the utility's proposal within 30 days after receipt of the utility's report, the utility may install the facilities in question as contemplated in its report. The utility may also proceed as contemplated in its report within such 30-day period if the agency(ies) provide(s) written notification to both the utility and the Commission concuring with the utility's proposal.

(d) If the agency(ies) described in subdivision (b) of this section provide(s) written notification in-hand to both the utility and the Commission objecting to the utility's proposal (including a detailed explanation of such objection) within 30 days after receipt of the utility's report, the Commission shall review the report and notification(s) filed by the utility and agency(ies).

(e) Unless the Commission serves on the utility an order requiring the installation of the facilities in question to be performed in a different manner than that contemplated by the utility within 30 days after the Commission's receipt of the agency's notification pursuant to subdivision (d) of this section, the utility may install such facilities as contemplated in its report. The utility may also proceed as contemplated in its report within such 30-day period if the Commission serves on it an order concurring with the utility's proposal.

(f) If an agency referred to in subdivision (h) of this section intends to supply a map(s) of a VSR(s) listed in such subdivision to the affected utility(ies) and the Commission, such agency shall consult with such utility(ies) and the Commission staff as to the appropriate scale(s) and other details of such map(s).
(g) If an agency referred to in subdivision (h) of this section has a VSR map prepared before the effective date of these regulations, such map may be filed with the Commission and utilities without consultation if the map otherwise complies with section 608.1(a) (2) of this Title.

(h) A VSR is:

(1) one of the following resources which is designated as having high scenic quality:

(i) scenic areas of statewide significance (in coastal areas) designated by the Secretary of State pursuant to article 42 of the Executive Law;

(ii) Adirondack Park scenic vistas, designated by the Adirondack Park Agency, identified on the Private Land Use and Development Plan Map and listed in the State Land Master Plan for the Adirondack Park pursuant to article 27 of the Executive Law;

(iii) scenic roads, designated by the Commissioner of Environmental Conservation pursuant to article 49 of the Environmental Conservation Law;

(iv) scenic districts, designated by the Commissioner of Environmental Conservation pursuant to article 49 of the Environmental Conservation Law;

(v) State and national wild and scenic river areas administered respectively by either the Department of Environmental Conservation or the Adirondack Park Agency pursuant to article 15 of the Environmental Conservation Law, and by the Department of the Interior, pursuant to 16 U.S.C. section 1271; and

(vi) Areas of Exceptional Scenic Beauty, acquired pursuant to the 1986 Environmental Quality Bond Act and administered by the Department of Environmental Conservation.

(2) any area in one of the following resources which is determined to have high scenic quality by the agency with jurisdiction over the affected resource as long as such determination is filed with the Commission:

(i) State Nature and Historic Preserve areas designated by the Legislature.

(ii) State parks, which were so designated for their scenic quality by the Legislature, the Department of Environmental Conservation or the Office of Parks, Recreation and Historic Preservation, including the Adirondack and Catskill Parks.

(iii) Lake George Park, except incorporated villages, administered by the Lake George Park Commission, pursuant to article 43 of the Environmental Conservation Law.

(iv) Parks within New York State administered by the Palisades Interstate Park Commission pursuant to article 9 of the Parks, Recreation and Historic Preservation Law.

(v) State historic sites owned by the Office of Parks, Recreation and Historic Preservation under article 19 of the Parks, Recreation and Historic Preservation Law and Title 9 NYCRR Part 384.

(vi) national historic sites, national seashores and national recreation areas located in New York State and operated by the National Park Service.

(i) The listing of VSRs in subdivision (h) of this section constitutes a determination that the new construction of distribution or feeder facilities underground is generally more appropriate therein than elsewhere. Neither such listing nor any agency's provision of a map of a
given VSR to the affected utility and the Commission, however, creates a presumption that construction of particular distribution or feeder facilities underground is appropriate. The propriety of such construction will, instead, be determined in accordance with the procedures set forth in subdivisions (b)-(e) of this section.

(j) In evaluating the utility's proposal pursuant to subdivision (e) of this section, the Commission will consider such factors as:

(1) the nature of the visual setting in the vicinity of the proposed construction, including the character of existing or proposed adjacent structures or land areas, unless a governmental authority with jurisdiction has plans to improve the scenic quality of the area in question;

(2) the probable environmental effects associated with both overhead and underground construction;

(3) any expected engineering difficulties associated with both overhead and underground construction; and

(4) the estimated cost associated with both overhead and underground construction.

(k) In the event a utility either intends at its own discretion or is required pursuant to this section to place a distribution facility underground, it shall inform the electric company and cable television company serving the area in which the underground construction is to be located. If a new common access route from existing facilities to the location of such underground construction will be used, the portions of the connecting facilities of the utility and the electric company that are located in a VSR shall be placed underground.

(1) Any delays caused by a utility's compliance with this Part shall be omitted from the counts of service standards measurements in section 603.12(d) of this Title.

(m) To the extent practicable, underground electric, communication, gas and cable television facilities shall be installed in a common trench when new construction is, or can without undue difficulty, be made simultaneously. Every reasonable effort shall be made to use joint occupancy utility poles to accommodate electric, communication and cable television facilities when new overhead construction occurs.

(n) Any interested agency or person may petition the Commission to add additional categories to the VSR list of subdivision (h) of this section. The Commission will approve or disapprove addition of the proposed category based on whether the category fits within the VSR definition in section 604.1(k) (1) of this Title.

(o) The VSR program shall be evaluated by the Commission after the program has been in effect for two years. Utilities shall submit to the Department within six months after the program has been in effect for two years, details of their experience with the program including: all locations of line extension construction in VSRs, the total length of all facilities undergrounded in VSRs, costs incurred by the utility, costs incurred by applicants for their share of line extension costs, problems encountered with the program, suggestions for changes to the program, or any other information the utility deems relevant to evaluation of the VSR program. The Department staff and/or the Commission may request, and the utilities shall provide, any information the Commission or staff deem relevant to evaluation of the VSR program.

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608.3 Reports.
Each utility shall provide the following information as part of its annual report to the Commission:

(a) the total length of distribution and feeder facilities placed underground in VSRs (in cable sheath feet);
(b) the utility's average cost per foot of such distribution and feeder facilities placed underground;
(c) the total length of distribution and feeder facilities placed aboveground in VSRs (in cable sheath feet);
(d) the subject utility's average cost per foot of such distribution and feeder facilities placed aboveground;
(e) the total length of distribution and feeder facilities placed underground outside VSRs (in cable sheath feet);
(f) the utility's average cost per foot of such distribution and feeder facilities placed underground;
(g) the total length of distribution and feeder facilities placed aboveground outside VSRs (in cable sheath feet);
(h) the utility's average cost per foot of such distribution and feeder facilities placed aboveground; and
(i) an indication of how much the subject utility spent of its maximum obligation described in section 608.2(a) of this Part.

PART 609
RULES GOVERNING PROVISION OF TELEPHONE SERVICE TO RESIDENTIAL CUSTOMERS
(Statutory authority: Public Service Law, ð 4(1), 92(1))

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Section 609.1 Purpose. This Part sets forth the commission's rules and regulations which apply to the provision of basic local exchange service by telephone corporations when service is provided to residential customers or applicants for residential service as defined in section 609.2 of this Part.
and the rights, duties and obligations of every telephone corporation subject to the jurisdiction of the commission by virtue of Article 5 of the Public Service Law with respect to such service, their residential customers and applicants for residential service.

(a) Residential service is basic local exchange service furnished in private homes or apartments, including all parts of the subscriber's domestic establishment, for domestic use and not for substantial occupational use; in the study of a clergymen located in a church, in college fraternity or sorority houses, college dormitories, convents and monasteries for domestic rather than occupational use in residential quarters.

(b) The term existing residential customer, when used in this Part, shall include any person who is supplied directly by a telephone corporation with residential service at a dwelling for his or her residential use pursuant to an application for service made by such person or a third party on his or her behalf. The term includes a person requesting such service who was a customer of the same telephone corporation within 12 months of making the request, who was not terminated for nonpayment more than 10 days before making the request, and who may move to a different dwelling within the telephone corporation's service territory.

(c) The term applicant, when used in this Part, shall include any person who does not qualify as an existing residential customer and who requests basic local exchange service at a dwelling for his or her residential use or the residential use by another person.

(d) The term reportable charges shall mean any charges for local service which are unpaid 45 days from the date of the bill for the charges, provided that the bill was mailed within six business days of the date of the bill. Charges which are the subject of a deferred payment agreement under which the customer is making the agreed upon payments are not reportable charges; failure to make an agreed upon payment shall make the entire unpaid balance of the deferred payment agreement a reportable charge. Charges which are the subject of a pending billing dispute pursuant to section 609.16 of this Part are not reportable charges during the pendency of the dispute or for 15 days after its resolution.

(e) The term basic local exchange service shall include the following charges for residential service:

1. customer access line, including any usage bundled in this charge;
2. local measured service;
3. local measured units;
4. locality rates;
5. mileage;
6. late payment charges on local exchange service;
7. subscriber line charge;
8. taxes and surcharges prorated to reflect only the taxes and surcharges associated with local exchange service;
9. nonpublished service;
10. touchtone;
11. local exchange service restoral charge;
12. NSF check charge for local exchange service or any part of local exchange service;
13. service order charge for local exchange service;
14. construction charges for local exchange service; and
(f) The term suspension shall mean the interruption of outgoing service only.

(g) The term termination shall mean the interruption of both incoming and outgoing service.

(h) The term seasonal customer shall mean a customer who applies for and receives service periodically each year, intermittently during the year, or at other irregular intervals.

(i) The term short-term customer shall mean a customer who requires service for a specified period of time that does not exceed one year.

(j) The terms deny or denied shall mean any determination, by a representative of a telephone corporation in response to an application for service, that service will not be initiated as requested.

(k) The term delinquent in payment shall mean a residential customer has not paid in full a duly rendered bill, or an agreed-upon partial payment, for basic local exchange service 25 days after the first day of the period for which the local service charge is being billed, or within a longer period agreed to by the utility. A residential customer who has not paid in full a bill, or an agreed-upon partial payment, for basic local exchange service in circumstances where disconnection for nonpayment is precluded under utility complaint procedures established under section 609.16 of this Part or commission complaint procedures under Part 11 of this Title, shall not be considered delinquent in payment. Nothing in this Part shall modify the commission's rules or orders applicable to the provision of telephone service to nonresidential customers.

609.3 Applications for residential basic local exchange service.

(a) Extension of service. (1) Consistent with the provisions of this section, every telephone corporation shall provide basic local exchange service to an applicant upon his or her oral or written request.

(2) A telephone corporation shall not be obligated to provide service to an applicant who owes the telephone corporation money for basic local exchange service provided to a prior account in his or her name unless:

(i) the applicant makes full payment for such service provided to any such prior account in his or her name;

(ii) the applicant agrees to make payments under a deferred payment plan, not to exceed three months, of any amount due for basic local exchange service to a prior account in his or her name if the applicant qualifies for such a plan by having been a customer for three months and service was not terminated for nonpayment during that period and if the amount due has not been the subject of a previous deferred payment plan under this subdivision;

(iii) the applicant has pending a billing dispute pursuant to section 609.16 of this Part with respect to any amounts due for service to a prior account in his or her name and has paid any amounts required to be paid pursuant to those provisions; or

(iv) the commission or its authorized designee directs the provision of service, who may require such extension of service to be made within 24 hours or less.

(3) A telephone corporation shall not be obligated to provide service to an applicant who has reportable charges, or has been terminated for nonpayment within the past 6 months, with any other telephone
corporation unless the applicant agrees to:

(i) pay a deposit in accordance with the provisions of section 609.9 of this Part; or

(ii) make advance payment of an amount not to exceed two times the average monthly bill for basic local exchange service. Such payment shall be applied to charges for local service on the first and subsequent bills, until it has been liquidated. The telephone corporation may not condition service upon payment in advance for any person it knows to be a recipient of public assistance, supplemental security income, or additional State payments.

(4) The telephone corporation may request either a deposit or payment in advance, but not both, as a condition of service.

(5) A telephone corporation shall be obligated to provide service to any applicant who meets the requirements of this section within five business days of receipt of a completed oral or written application for service or such later time as may be specified by the applicant, except:

(i) where prevented by labor strikes or precluded by law;

(ii) where precluded by consideration of public safety;

(iii) where the applicant fails to pay, or agree in writing to pay, reasonable chargeable material and installation costs relating to temporary or permanent line extensions, or otherwise fails to comply with any applicable requirements of the commission's rules;

(iv) where precluded by physical impediments including:

(a) adverse weather conditions;

(b) inability to gain access to premises in the possession of the applicant or others when necessary;

(c) incomplete construction of necessary facilities by the applicant or inspection thereof by the appropriate authorities; or

(d) incomplete construction of necessary facilities by the telephone corporation.

the telephone corporation shall make reasonable efforts to eliminate conditions preventing extension of service and shall pursue completion of any facilities it must construct with due diligence; or

(v) where directed by the commission or its authorized designee, who may require such extension of service to be made within 24 hours or less.

(6) An oral application for service shall be deemed completed when an applicant who meets the requirements of this section provides his or her name, address, and address of prior account, if any or prior telephone number, if any. A telephone corporation may establish nondiscriminatory procedures to require an applicant to provide reasonable proof of the applicant's identity.

(7) A telephone corporation may require an applicant to complete a written application if:

(i) there are reportable charges from a previous account with any telephone corporation at the premises to be served; or

(ii) the application is made by a third party on behalf of the person(s) who would receive service.

A written application may require the submission of information required in an oral application, and reasonable proof of the applicant's responsibility for service at the premises to be supplied. A telephone corporation requiring a written application shall so notify an applicant as soon as practicable after the request for service is made, and in no event more than three business days after such request, and shall state
the basis for requiring a written application. A written application containing the required information shall be deemed completed when received by the utility.

Comment: When a written application is permitted, a telephone corporation may require the applicant to provide a copy of a lease (if one exists), deed, bill of sale or other documentation to show the date the applicant became responsible for service. A telephone corporation may also require an applicant to validate the applicant's prior address.

(8) Subject to the requirements of paragraph (5) of this subdivision, whenever a residential customer moves to a different dwelling within the service territory of the same telephone corporation and requests residential service within 12 months, he or she shall be eligible to receive service at the different dwelling, and such service shall be considered a continuation of service in all respects, with any deferred payment agreement, and with all rights honored; provided, however, that such customer's prior service was not terminated for nonpayment more than 10 days before the request for service.

(9) A telephone corporation shall extend service to an applicant for residential basic local exchange service, whose application for service has previously been denied, within five business days unless a later time is requested by the applicant, after the following events:

(i) elimination of all the conditions specified in paragraphs (2)-(5) of this subdivision which resulted in the denial of service; or

(ii) by direction of the commission or its authorized designee, who may require such extension of service to be made within 24 hours or less.

(b) Denial of application for service--notice. (1) An application for service not denied within three business days shall be deemed approved.

(2) No telephone corporation shall deny an application for service or condition service upon an advance payment or deposit without advising the applicant within three business days of receipt of the application for service of:

(i) the reason or reasons for the denial, or the requirement for an advance payment or deposit;

(ii) precisely what the applicant must do to qualify for service or eliminate the requirement; and

(iii) his or her right to an investigation and review by the commission or its authorized designees of the denial or request for an advance payment or deposit. The telephone corporation shall advise the applicant of the appropriate methods available to challenge the action of the telephone corporation and the address and telephone number of the commission.

(3) When the notice required by paragraph (2) of this subdivision is made orally, the telephone corporation shall provide the applicant, upon request, the notice in writing at his or her current address unless a different address is specified. When oral notification cannot be accomplished within three business days due to the unavailability of the applicant, the telephone corporation shall provide immediate written notification.

609.4 Suspension or termination of basic local exchange service.

(a) Conditions for suspension or termination. A telephone corporation may suspend or terminate basic local exchange service as provided for in these rules if the customer:
(1) fails to pay the telephone corporation charges due at any time during the preceding six months; provided, however, that suspension or termination of service for bills due for service rendered during periods in excess of the six-month period is permitted in cases involving billing disputes during the six-month period or the culpable conduct of the customer; and provided further, that the telephone corporation shall commence any such billing not more than two months after the resolution of the billing dispute, the cessation of the event which caused the telephone corporation to delay or delays caused by the customer's culpable conduct;

(2) fails to pay amounts due under a deferred payment agreement;

(3) fails to pay or agree in writing to pay equipment and installation charges relating to the initiation of service; or

(4) fails to pay a lawfully required deposit.

(b) Notice of suspension or termination--contents. A notice of suspension or termination shall clearly state or include:

(1) the earliest date on which suspension or termination may occur;

(2) the reasons for suspension or termination and the manner in which suspension or termination may be avoided, including the total amount required to be paid to avoid suspension or termination;

(3) the address and telephone number of the office of the telephone corporation that the customer may contact in reference to his or her account;

(4) the availability of procedures for handling complaints;

(5) the availability and a general description of a deferred payment agreement, which shall be highlighted;

(6) a summary of the protections available under this Part, together with a notice that any customer eligible for such protections should contact the telephone corporation; and

(7) the notice may include any additional information not inconsistent with this Part. In addition, the notice shall have printed on its face, in a size type capable of attracting immediate attention, language conveying the following:

"THIS IS A FINAL DISCONNECTION NOTICE. PLEASE BRING THIS NOTICE TO THE ATTENTION OF THE TELEPHONE CORPORATION WHEN PAYING THIS BILL."

(c) Notice of suspension or termination--time. (1) No telephone corporation shall suspend service until at least eight days nor terminate service until at least 20 days after a notice:

(i) has been served upon the residential customer; or

(ii) has been mailed to the residential customer at the premises where service is rendered; provided, however, if a residential customer has specified to the telephone corporation in writing an alternative address for billing purposes, the notice under this paragraph shall be sent to such alternative address rather than to the premises where service is rendered.

(2) A telephone corporation may not issue or send a notice of suspension or termination unless at least 25 days have elapsed from the date of the bill, except when exceptional circumstances exist, a notice may be issued in less than 25 days, but only in accordance with procedures approved by the commission or its designee. A telephone corporation shall mail the bill within six business days of the date of the bill. A telephone corporation shall extend the 25-day period one day for each day beyond the sixth business day when bills are mailed late. Individual customers also shall be given the same extension when
documentation, such as the postmarked date, exists.

(3) After issuing the notice, the telephone corporation shall attempt to notify the customer by telephone of the intended suspension or termination and how such suspension or termination may be avoided. The attempt to notify the customer by telephone shall include at least one telephone call during nonworking hours before the scheduled date for suspension or termination.

(d) Suspension or termination of service—time. A telephone corporation complying with the conditions set forth in this section may suspend or terminate service to a residential customer for nonpayment of bills only between the hours of 8 a.m. and 7:30 p.m., Monday through Thursday, and between 8:00 a.m. and 3:00 p.m. on Friday, provided such day or the following day is not:

(1) a public holiday, as defined in the General Construction Law;
(2) a day on which the main business office of the telephone corporation is closed for business; or
(3) during the periods of December 23rd through December 26th and December 30th through January 2nd.

(e) Suspension or termination for abandonment of facilities. (1) No telephone corporation shall suspend or terminate service on the grounds that a customer's facilities have been abandoned or are being used by unauthorized persons unless such corporation shall first determine, by such means as are reasonably calculated to determine occupancy, that such facilities have in fact been abandoned or are being used without the authority of the customer of record. The telephone corporation shall send a notice to the customer stating the reasons for the suspension or termination no later than five days prior to the date of any such suspension or termination, except that the five-day notification period shall be waived when mailings are returned by the post office or a new customer advises that he or she has moved into the location.

(f) No suspension or termination without verification of delinquent account. No telephone corporation shall suspend or terminate service for nonpayment of bills rendered unless:

(1) it shall have verified that payment has not been received at any office of the telephone corporation or at any office of an authorized collection agent through the end of the notice period required by this Part; and
(2) it shall have verified on the day suspension or termination occurs that payment has not been posted to the customer's account as of the opening of business on that day.

(g) Rapid posting of payments in response to notices of suspension or termination. Every telephone corporation shall ensure that any payments made in response to a notice, when the customer brings the fact that such a notice has been issued to the attention of the telephone corporation or its collection agents:

(1) are posted to the customer's account on the day payment is received; or
(2) are processed in some manner so that suspension or termination will not occur.

(h) Additional notice required when payment by check is subsequently dishonored. The telephone corporation shall be required to make at least two attempts, one outside of normal business hours, to contact a customer within 24 hours when the telephone corporation is in receipt of
a subsequently dishonored negotiable instrument due to lack of funds, provided that the customer previously has not submitted a dishonored check within the past 12 months. Upon reaching the customer, the telephone corporation shall give him or her an additional 24 hours to pay the bill before suspension or termination of service.

609.5 Suspension or termination of residential basic local exchange service--special procedures.

This section provides special protections for residential customers regarding the suspension or termination and restoration of basic local exchange service in cases involving medical emergencies, the elderly, blind or disabled.

(a) Medical emergencies. (1) No telephone corporation shall suspend, terminate or refuse to restore basic local exchange service and any access determined by the customer's doctor to be necessary to reach the customer's doctor when a medical emergency exists, for which certification by a medical doctor or local board of health may be required, for nonpayment of monthly charges in an amount set by the commission; provided, however, that a demonstration of the customer's inability to pay charges for service may be required before a certificate of medical emergency can be renewed pursuant to paragraphs (3) and (4) of this subdivision, unless the commission or its designee directs otherwise.

(2) A medical emergency exists when a resident of a customer's residence suffers from a serious illness or medical condition which severely affects the resident's well-being and the absence of such telephone service would create a serious risk of inaccessibility of emergency medical assistance, assistance relating to medical care or professional advice. An inability to pay charges for service is demonstrated when a customer is unable to pay past due and current telephone bills because of insufficient liquid assets and current income, considering other necessary and reasonable expenses of the customer such as food, shelter and medical expenses, which may be documented by provisions of the information required in the form set in Appendix 17 of this Title or such other form approved by the commission.

(3) Certification. An initial certification of a medical emergency by a medical doctor or local board of health may be made by telephone and shall remain effective if written certification is provided thereafter to the telephone corporation within five business days. A telephone corporation may require that any certification of a medical emergency shall be submitted on stationery of the medical doctor or local board of health, shall be signed by the medical doctor or an official of the local board of health qualified to make a medical judgment and shall state the name and address of the certifying medical doctor or local board of health, the doctor's State registration number, the name and address of the seriously ill person, the nature of the serious illness or medical condition, any service beyond basic local exchange services which may be necessary to reach the customer's doctor because of the medical condition and an affirmation that the customer suffers from a serious illness or a medical condition that severely affects the resident's well-being and that the absence of such telephone service would create a serious risk of inaccessibility of emergency medical assistance, assistance relating to medical care or professional advice. The certificate shall be effective for 30 days from the time the
telephone corporation receives an oral or written certification, whichever occurs earlier. In deciding whether the conditions for a medical emergency are met, the medical doctor or qualified official of the local board of health should use his or her best judgment. A telephone corporation receiving an initial certificate shall promptly so notify the customer in writing and shall provide information on renewal of certificates, including the form set forth in Appendix 17 of this Title, or such other form approved by the commission if the telephone corporation intends to make a determination concerning a customer's ability to pay charges for service. The telephone corporation also shall issue a reminder notice on renewal of certificates seven days prior to the expiration of the certificate.

(4) Certificate renewal. If the medical condition is likely to continue beyond the expiration of an initial certification, a certificate may be renewed, provided:

(i) a medical doctor or qualified official of the board of health states in writing to the telephone corporation the expected duration of the medical emergency, and explains either the nature of the medical emergency or the reason why the absence of such telephone service would create a serious risk of inaccessibility of emergency medical assistance or assistance relating to medical care or professional advice; and

(ii) the customer demonstrates an inability to pay charges for service. A customer may be required, before the expiration of the initial certification, to submit to the telephone corporation the information required in the form set forth in Appendix 17 of this Title, or such other form approved by the commission for the purpose of demonstrating an inability to pay charges for service. A telephone corporation shall, within five days of submission of such information, determine whether the customer's liquid assets and current income are insufficient to pay such telephone bills, considering other necessary and reasonable expenses of the customer such as food, shelter, medical and other necessary expenses. Whenever a telephone corporation determines that a customer has not demonstrated a financial hardship, it shall provide the customer with written notice of determination and the customer's right to review of the determination by the commission or its authorized designee. A telephone corporation shall stay any suspension or termination activity pending its determination on the customer's ability to pay and any review of such determination by the commission or its authorized designee. A renewed certificate shall remain in effect for 30 days, provided that in cases certified as chronic by a medical doctor or qualified official of the local board of health, the renewed certificate shall remain in effect for 60 days or such longer period as may be approved by the commission or its designee. The telephone corporation may require that the statement of financial hardship shall be completed and submitted to the telephone corporation whenever a certificate is renewed.

(5) No telephone corporation shall suspend or terminate such service to a residential customer after the expiration of a certification of medical emergency or after the telephone corporation determines and the commission or its designee concurs that the customer has an ability to pay charges for service without first sending the customer a final notice of suspension or termination at least eight days prior to suspension of outgoing service and 20 days prior to the date of termination.
While certification of medical emergencies remains in effect, customers shall remain liable for payment of telephone service and shall make reasonable efforts to pay charges for such service. The authorized designees of the commission shall be available to offer assistance to customers for working out equitable payment arrangements in order to avoid substantial arrearages at the end of a medical emergency.

(b) Customers who are elderly, blind or disabled. (1) No telephone corporation shall suspend or terminate or refuse to restore service where a residential customer is known to or identified to the telephone corporation to be blind, disabled, or 62 years of age or older, and all the remaining residents of the household are 62 years of age or older, 18 years of age or under, blind or disabled, without complying with the procedures specified in this subdivision. A person shall be considered "disabled" if the person has a disability as that term is defined in the Human Rights Law (Executive Law, section 292(21)). A person shall be considered blind if the person has central visual acuity of 20/200 or less in the better eye with the use of a correcting lens. An eye which is accompanied by a limitation in the fields of vision such that the widest diameter of the visual field subtends an angle no greater than 20 degrees shall be considered as having a central visual acuity of 20/200 or less.

(2) In such cases, a telephone corporation shall not suspend or terminate service for an additional 20 days after the date of suspension or termination as stated on the notice and shall make a diligent effort to contact by telephone or in person if telephone contact is unsuccessful, an adult resident at the customer's premises at least eight days prior to the date on which suspension or termination of service may occur for the purpose of devising a payment plan.

(3) In cases where service has been suspended or terminated and the telephone corporation subsequently learns that the customer is entitled to the protections established under this subdivision, the telephone corporation shall, within 24 hours of such notification, restore service for an additional 20 days and make a diligent effort to contact in person an adult resident at the customer's premises for the purpose of devising a payment plan. A telephone corporation unable to contact such person within 24 hours shall make reasonable efforts to achieve contact as soon as practicable.
customer requests otherwise, in the following situations:

(1) receipt by the telephone corporation of the full amount of arrears for which service was suspended or terminated or upon the elimination of conditions that warranted suspension or termination of service;

(2) agreement by the telephone corporation and the customer on a deferred payment plan and the payment of a down payment, if required, under the plan;

(3) where a telephone corporation has notice that a serious impairment to health or safety exists and telephone service is necessary to insure accessibility of emergency medical assistance, assistance relating to medical care or professional advice. Doubts as to whether reconnection of service is required for health or safety reasons shall be resolved in favor of reconnection; or

(4) upon the direction of the commission or its designee.

Comment: A telephone corporation may not insist upon payment of lawful charges that did not provide the basis for suspension or termination before restoring service under this subdivision. In these circumstances, payment of other lawful charges that did not form the basis for the suspension or termination should be part of the deferred payment plan in accordance with section 609.8 of this Part, unless the customer elects to pay such charge immediately.

(b) Whenever circumstances beyond the telephone corporation's control prevent reconnection of service within 24 hours of any of the events specified in subdivision (a) of this section, service shall be reconnected within 12 hours after those circumstances cease to exist.

609.8 Deferred payment agreements.

(a) No telephone corporation shall suspend, terminate or refuse to restore or provide basic local exchange service to a residential customer, who has been an existing residential customer for three months and for whom basic local exchange service has not been terminated for nonpayment during that period because of arrears owed on such person's account, unless it offers the customer a deferred payment agreement pursuant to this section. Customers with medical emergencies and customers who are elderly, blind or disabled shall be exempt from such eligibility criteria. However, any such agreement shall not be available to any customer who the commission or its designee determines has the resources available to pay his or her bill. The offer of a deferred payment agreement shall specify the total amount of arrears, the down payment, the installment payments and the time for making such payments. The telephone corporation shall mail to the customer not less than six days prior to termination of service, a notice describing to the customer a deferred payment plan which shall contain a conspicuous, bold-type notice that the customer may obtain the assistance of the commission in reaching an agreement. Where service is already terminated pursuant to section 609.4 of this Part, such notice shall be given at the time the customer requests reconnection. A new deferred payment agreement need not be offered to a customer who is in default on an existing deferred payment agreement; provided, however, that such a customer may have his or her existing payment agreement renegotiated once within a 24-month period if he or she demonstrates that his or her financial circumstances have changed significantly because of conditions beyond his or her control.

(b) A deferred payment agreement:
(1) shall obligate the customer to make timely payments of current charges for basic local exchange service together with payment of the amount deferred during the pendency of the agreement;

(2) shall be for total amounts up to $150 but may be greater amounts if agreed to by the telephone corporation or directed by the commission or its authorized designee;

(3) shall be for a time period of no less than 5 months unless otherwise agreed to by the customer; and

(4) may require the customer to make a down payment which shall not exceed the lesser of one fifth of the amount deferred or three months of the customer's average billing for basic local exchange service plus the difference, if any, between the total amount of arrears and the amount being deferred.

(c) Telephone corporations and customers should observe the following practices in developing the terms of deferred payment agreements: payment of amounts deferred may be made on a weekly, monthly or longer basis, at the convenience of the parties to the agreement. Telephone corporations must voluntarily offer plans with down payments of lesser amounts than allowed by subdivision (b) of this section when a customer cannot reasonably make a down payment equal to the amount allowed by subdivision (b). Eligible customers may voluntarily waive their right to make a down payment of not more than the amount allowed by subdivision (b) of this section, but telephone corporations cannot require or otherwise solicit customers to make such waiver. Amendments of payment agreements should, to the extent reasonable and practical, reflect the changed circumstances of the customer.

(d) If the telephone corporation believes that a deferred payment agreement should not be offered because a customer has the resources to pay his or her bill, it shall notify the customer and the commission or its designee in writing of the reasons for its belief. The commission or its designee shall, in accordance with the complaint procedures set forth in section 609.16 of this Part, forthwith make a determination whether the customer has the resources to pay his or her bill. A telephone corporation shall stay any suspension or termination activity, and restore or provide service pending the decision on the telephone corporation's complaint by the commission or its authorized designee.

609.9 Residential basic local exchange service deposits.

(a) No telephone corporation shall require any applicant or existing residential customer to post a security deposit as a condition of receiving basic local exchange service unless the existing residential customer or applicant:

(1) is a seasonal customer or short-term customer;

(2) is an existing residential customer who has accumulated two consecutive months of arrears without making reasonable payment of such charges, defined as one-half of the total arrears, prior to the due date of the second bill, provided that the telephone corporation requests such deposit within two months of such failure to pay. A local exchange carrier intending to require a deposit of an existing residential customer shall provide a customer written notice, including the amount of the deposit, at least 10 days before it may assess a deposit, and state that the failure to make timely payment of the arrears will permit the utility to require a deposit from such customer;

(3) has had basic local exchange service terminated for nonpayment
during the preceding six months;
(4) has reportable charges with any other telephone corporation;
(5) does not give a telephone corporation with which he or she is
applying for service permission to determine the existence of reportable
charges or if the customer has been terminated for nonpayment during the
preceding six months on a previous or current account with other local
telephone corporations subject to these regulations; or
(6) fails to provide reasonable proof of identity pursuant to section
609.3(a) (6) of this Part.
(b) Payment of deposit. If a telephone corporation requires a deposit
from an existing residential customer or an applicant for telephone
service, it shall permit such customer to pay the deposit in
installments over a period not to exceed six months.
(c) Exceptions to deposit authorization. (1) No telephone corporation
shall require any person it knows to be a recipient of public
assistance, supplemental security income, or additional state payments
to post a security deposit.
(2) No telephone corporation shall demand or hold a deposit from any
applicant or existing residential customer it knows is 62 years of age
or older unless such customer has had service terminated for nonpayment
of bills within the preceding six months. Telephone corporations shall
permit an applicant or existing residential customer 62 years of age or
older to pay the deposit in installments over a period not to exceed 12
months.
(d) Deposit amounts. In any case where customer deposits are
authorized by this section, the deposit amount shall not exceed two
times the average monthly bill for basic local exchange service for a
calendar year in order to secure payment for basic local exchange
services actually rendered or for the rental of fixtures, instruments
and facilities actually supplied.
(e) Interest on deposits. Every telephone corporation shall allow
every customer from whom a deposit is required interest on the amount
deposited at a rate prescribed annually by the commission.
(f) Application of deposit to unpaid bill. Each telephone corporation
holding customer deposits shall render to each depositor, when and as
his or her deposit is applied to an unpaid bill or bills, a statement
showing:
(1) the amount of the deposit, together with the interest accrued
thereon and the period covered thereby; and
(2) the balance of the bill or bills remaining unpaid or the balance
of the deposit and interest thereon remaining to the credit of the
depositor.
(g) Refunds. (1) Each telephone corporation shall review the accounts
of all existing residential customers who have made deposits at least
annually. Each depositor, upon becoming entitled to a refund by reason
of nondelinquency for one year or upon ceasing to be a customer, shall
receive his or her deposit and all interest thereon which has not been
refunded or credited against bills for service.
(2) The telephone corporation shall initiate such refund action and
may request the payment of all bills for which such deposit is security.
(3) Any refund may be credited to the customer's account or, at the
election of the depositor, the full refund shall be made to the
depositor.
(4) For purposes of establishing a refund date when deposits are paid
on an installment plan, the date will be the day of receipt of the first installment. 

(h) Circular containing terms of deposit. Each and every telephone corporation holding customer deposits shall keep on hand for
distribution to its customers a summary of the pertinent features of
these requirements and shall inform customers from whom deposits are
requested of its availability.

(i) Records. Each telephone corporation holding customer deposits
shall keep adequate records with respect to each deposit.

609.10 Backbilling on residential accounts.
No telephone corporation shall charge a residential customer for
previously unbilled service or adjust upward a bill previously rendered
when the period for the unbilled service or billing adjustment is more
than 24 months prior to the mailing of the bill or the upward billing
adjustment for service to the residential customer unless the culpable
conduct of the customer caused or contributed to the failure of the
corporation to render timely or accurate billing. If the customer is
liable for any service and the delay in billing was not due to the
culpable conduct of the customer, the telephone corporation shall
explain the reason for the late billing and shall advise the customer
that suspension/termination of service is not permitted for nonpayment
of charges billed in excess of six months after the service was provided
and that payments may be made under an installment payment plan. Any
such installment plan must be consistent with a customer's ability to
pay and for a reasonable period of time that shall not be less than one
month for each month represented by the late-billed charges, unless
otherwise agreed to by the customer. If requested by the customer, the
explanation for the late billing and the installment payment plan will
be provided in writing. An adjustment to increase previously rendered
bills more than six months after the time service was provided shall be
made within four months of the final resolution of the billing dispute.

609.11 Adjusted payments and other charges.

(a) Adjusted payment schedule. Every telephone corporation shall
offer residential customers on fixed incomes the opportunity to pay
their bills on a reasonable schedule that is adjusted for such
customer's periodic receipt of income.

(b) Other charges. No telephone corporation may charge any
residential customer a late-payment charge, penalty, fee, interest or
other charge of any kind without the approval of the commission for any
late payment, collection effort, service termination or deferred payment
agreement occasioned by the customer's failure to make timely payment
for services. Nothing in this section shall prohibit a telephone
corporation, with the approval of the commission, from imposing a
reasonable charge, not in excess of its costs, pursuant to its tariff
for restoral of service, dishonored checks and other lawful purposes.

609.12 Contents of bills.
Each telephone corporation's bill to a residential customer shall
provide, in clear and understandable form and language:

(a) the name, address and account number of the customer, the name of
the telephone corporation, the telephone number of the telephone
corporation's business office which may be contacted to discuss the
bill, amount owed for the latest period, the date by which payments for
the latest period may be paid without a late-payment charge, the
late-payment charge for late-paid bills, if any, credits from past
bills, any amounts owed and unpaid from previous bills, and credits and
charges which are adjustments to past bills due to service and/or rate
increases; and
(b) a statement of how the bill may be paid; and
(c) an itemized listing of the services being subscribed to, and their
monthly rates. An identification of those services which are not
necessary for basic service shall be included with each new customer's
first bill, each existing residential customer's first bill after a
change in service and semiannually for all customers. New customers
will be allowed 60 days to change their type or grade of service, or
both, and to cancel any optional nonbasic services without incurring any
cancellation or nonrecurring charges other than the original service
connection and monthly charges for the period service was used. Nothing
in this section shall preclude a telephone corporation from providing
pertinent messages and information on the bill, provided such
information does not interfere with the presentation of the information
required by this section.

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609.13 Notification requirements.
(a) Annual notification of rights. Every telephone corporation shall,
at the time service is initiated to a residential customer and at least
annually thereafter, provide residential customers with a plain language
summary of their rights and obligations under this Part, or inform
customers that such a summary is available and how it can be obtained
from the company. At a minimum, the summary shall include the
following:
(1) a description of the complaint-handling procedures available at
the telephone corporation and the commission:
   Comment: Such notice shall clearly state the means by which a
   complaint can be made to the company and shall also advise the customer
   that, if after contacting the telephone corporation, the customer
   remains dissatisfied, he or she may contact the New York State Public
   Service Commission. Such notice shall further state that the Public
   Service Commission has a staff available to give assistance in such
   matters, and shall also specify an appropriate address of the Public
   Service Commission.
   (2) the rights and obligations of residential customers relating to
   payment of bills, termination of service and reconnection of service;
   (3) a description of special protections afforded the elderly, blind,
   and disabled, and persons with medical emergencies;
   (4) a request that residential customers who qualify for the
   protections referred to in Section 609.5(b) voluntarily so inform the
   utility;
   (5) the right of a customer to designate a third party to receive
copies of all notices relating to suspension and/or termination of
service or other credit notices;
   (6) appropriate forms that customers claiming the protections of
section 609.5 of this Part may fill out and return; and
   (7) a description of the customers' rights in regard to deferred
payment plans and the holding and demanding of security deposits by the
telephone corporation.
(b) Notices in telephone directories. The opening pages of each directory published by the telephone corporations shall contain a conspicuous notice advising customers that, should any utility fail to resolve their complaints regarding service or billing disputes to their satisfaction, they may refer their problems to the Consumer Services Division of the New York State Public Service Commission and the appropriate address and telephone number for the Public Service Commission's Consumer Services Division.

(c) Billing information in non-English language. Every telephone corporation providing service to a county where, according to the most recent Federal census, at least 20 percent of the population regularly speaks a language other than English, shall include in its telephone directories in such county a notice in both English and such other language which describes the contents of the telephone corporation's bill. At least once a year, every telephone corporation shall mail to all residential customers in such county a notice in both English and such other language spoken regularly by at least 20 percent of the population in such county, which describes the contents of the telephone corporation's bill.

609.14 Emergency disconnections of residences.

A telephone corporation may disconnect service to a residence when an emergency may threaten the health or safety of a person, a surrounding area or the telephone corporation's distribution system. The telephone corporation shall act promptly to assure restoration of service as soon as feasible. Service shall be restored to any residence before it may be terminated for any other reason.

609.15 Inspection and examination of telephone corporation apparatus.

(a) A duly authorized agent of the telephone corporation may enter any dwelling, building or other location supplied with service by the telephone corporation for the purposes of inspecting and examining the wires and other apparatus furnished by the telephone corporation and leased by customers for ascertaining any service-affecting problems on a nonholiday workday between 8 a.m. and 6 p.m., or at such other reasonable times as requested by a customer. At such time, the agent shall exhibit a photo-identification badge signed by the president or vice-president of the telephone corporation.

(b) The provisions of subdivision (a) of this section shall not apply to the inspection and examination of any such equipment where an emergency may threaten the health and safety of a person, the surrounding area, or the telephone corporation's distribution system.

(c) An agent of the telephone corporation otherwise duly authorized to inspect and examine apparatus, may not enter locked premises without the permission of the person lawfully in control on the premises, nor use any manner of force to carry out inspection and examination, except when an emergency may threaten the health or safety of a person, the surrounding area, or the telephone corporation's distribution system, or where authorized by a court order.

609.16 Telephone corporation complaint-handling procedures.

Customer complaints about bills for telephone service deposit requests or other service problems shall first be made to the telephone corporation. The telephone corporation shall allow complaints to be
accepted and processed in a simple manner and form. Every telephone corporation shall promptly investigate any complaint in a fair manner and report the results to the complainant. If the report of the investigation is made orally, the telephone corporation shall provide the complainant, upon request, the report in writing. If the complainant requests the report in writing, the telephone corporation shall send such report in writing within five business days after the request by the complainant. In the event the corporation is unable to give an oral report due to the unavailability of the complainant, either a letter requesting the customer to call the telephone corporation or a written copy of the report shall be sent to the complainant no later than two business days after the results of the investigation are determined. If a letter requesting the customer to call is not responded to by the customer in five business days, a written copy of the report shall be sent to the complainant no later than the seventh business day after such letter was sent to the customer. A telephone corporation resolving a complaint in whole or in part in its favor shall inform the complainant of the availability of the commission's complaint-handling procedures, including the commission's address and telephone number. A telephone corporation shall refrain from suspending or terminating service for nonpayment during the pendency of a complaint before the telephone corporation or the commission and for 15 days after resolution by the telephone corporation, or by the commission or its authorized designee, unless otherwise provided by the commission or its authorized designee; provided, however, that as a condition of continued service during the pendency of such dispute, a customer shall pay the undisputed portions of any bill for service.

609.17 Waiver.

Unless otherwise precluded by the Public Service Law or other applicable law, the commission may, for good cause shown or upon its own motion, waive any requirement of this Part.
within the time and in the form specified in the following:
(a) Name of reporting utility (indicate whether corporation, partnership, individual, or other party).
(b) Address of reporting utility.
(c) The name of the official responsible for statements submitted and to whom should be addressed any correspondence relating thereto.
(d) Date of the report.
(e) Period covered by the report (both dates inclusive where applicable).
(f) Information regarding securities or obligations issued.
   (i) Pursuant to authority granted by order of this commission:
      (ii) Issuance of capital stock, in exchange for convertible securities issued pursuant to commission authorization, may be reported annually, not later than 60 days after the end of the calendar year covered by the report; such report to show only the number of shares of such stock issued during such calendar year, the securities retired by reason of the exchange, and the additional consideration realized, if any, by reason of the exchange.
      (iii) For each type of security or obligation, include the following information, as appropriate:
         (a) Designation of security-classified according to distinguishing characteristics, such as class of stock of par value or no par value and dividend rate of preferred stock, or character of debt obligation and interest rate or maturity date or other distinguishing characteristic.
         (b) Date of actual issue or assumption.
         (c) Number of shares of each class of stock or principal amount of each debt obligation issued.
         (d) Consideration realized from each class or type of security (if consideration is other than cash, give description and basis of value).
         (e) Case number and date of order of this commission under which the security issue was authorized.
   (ii) Securities issued or assumed under circumstances not requiring the formal approval of this commission, such as obligations (real estate mortgages, chattel mortgages, conditional sale agreements, promissory notes, etc.) having a term of less than twelve months:
      (i) Notice of issuance shall set forth the transaction covering obligations issued during each calendar month and shall be filed not later than 10 days after the end of the calendar month covered by such report.
      (ii) For each type of obligation of $10,000 face amount or more, include the following information as appropriate:
         (a) Designation of the obligation giving descriptive distinguishing characteristics. Include description of real estate mortgage, chattel mortgage, conditional sale agreement, or any hypothecation of assets given in connection with the obligation.
         (b) Date of actual issue or assumption.
         (c) Name of payee.
         (d) Principal or face amount.
         (e) Rate of interest.
         (f) Date of maturity (if demand so specify) or schedule of periodic payments.
         (g) Names of endorsers, if any.
(h) Consideration realized from issuance of the obligation.

(i) Purpose for which the obligation was issued; if for cash indicate
the use to which the proceeds are to be applied.

(j) State whether the obligation represents an increase of
indebtedness or an obligation given in renewal of existing obligations
or in cancellation of accounts payable. For renewals of obligations of
$10,000 face amount or more, give the dates and amounts of the
obligations for which the renewal obligation is in whole or in part to
be substituted; for renewals of obligations of less than $10,000 face
amount, give the date or month of issuance, the rate of interest, date
or month of maturity and the total amount of the obligations for which
the renewal obligation is in whole or in part to be substituted. (See
subparagraph (iv) of this paragraph).

(iii) For each type of obligation of less than $10,000 face amount
list the information required in subparagraph (ii) of this paragraph or
for each type of obligation of less than $10,000 face amount which is
identical except for the payee, the exact date of issue or assumption
within any one calendar month and the exact date of maturity within any
one calendar month. Report for each group the information required in
subparagraph (ii) (a), (e), (g), (h), (i) and (j) of this paragraph but
substitute for subparagraph (ii) (b), (c), (d) and (f), the following;
(b) month of actual issue or assumption, (c) number of obligations, (d)
amount of indebtedness and (f) the month and year of maturity (if demand
so specify).

(iv) Report the outstanding obligations as of the final date of the
period covered by the notice of issuance. List the date of actual issue
or assumption principal or face amount and rate of interest of all
obligations reported pursuant to subparagraph (ii) of this paragraph.
For obligations reported pursuant to subparagraph (iii) of this
paragraph, list the date or month of actual issue or assumption, the
rate of interest of each obligation or group of obligations and the
amount of each obligation or group of obligations outstanding.

(3) For any other class of securities, give corresponding particulars,
not later than 10 days after the end of the calendar month in which
issued or assumed, to the end that the commission may be fully advised
as to the nature of the transaction and purpose for which obligations
were incurred or securities were issued and the proceeds therefrom are
to be used.

(g) Each notice of issuance of securities or obligations shall be
subscribed by an executive officer of the corporation, a member of the
partnership, the individual owner, or other party of the utility in
behalf of which the notice is filed, and affirmed by such person as true
under the penalties of perjury.

620.2 Issuance not heretofore reported.

Every such public utility which has not filed with this commission a
notice of the issuance of any stocks, bonds, notes, or other evidences
of indebtedness now outstanding and issued with or without the approval
of this commission shall, within 30 days from the date of service of a
copy of this order, file a notice of each such transaction in the form
prescribed herein.

SUBCHAPTER C
Rates and Charges
PART
630-631 (Reserved)
632 Liability for Directory Errors
633 (Reserved)
634 Interest on Customer Overpayments to Telephone Utilities

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PART 632
LIABILITY FOR DIRECTORY ERRORS
(Statutory authority: Public Service Law, § 94)

Sec.
632.1 Liability for directory errors

Section 632.1 Liability for directory errors. (a) In the absence of gross negligence or willful misconduct and except for the allowances stated hereinafter in paragraphs (b)(1)-(3) of this section, no liability for damages arising from errors or mistakes in or omissions of directory listings, or errors or mistakes in or omissions of listings obtainable from the directory assistance operator, including errors in the reporting thereof, shall attach to the company.

(b) An allowance for errors or mistakes in or omissions of published directory listings or for errors or mistakes in or omissions of listings obtainable from the directory assistance operator shall be given as follows:

1. For free or no-charge-published directory listings, credit shall be given at the rate of two times the monthly tariff rate for an additional or charge listing for each line affected for the life of the directory or the charge period during which the error, mistake or omission occurs.
2. For additional or charge-published directory listings, credit shall be given at the monthly tariff rate for each such listing for the life of the directory or the charge period during which the error, mistake or omission occurs.
3. For listings obtainable from records used by the directory assistance operator, upon notification to the company of the error, mistake or omission in such records by the customer, the company shall be allowed a period of three business days for the correction to be effected. If the company has not corrected the error, mistake or omission within three business days after notification by the customer, credit shall be given at the rate of 2/30 of the basic monthly rate for the line or lines in question for each day thereafter that the records remain uncorrected.
4. Credits for an error, mistake or omission in the free listing, the charge listing and listings obtainable from records used by the directory assistance operator shall be given as specified in paragraphs (1)-(3) of this subdivision; provided, however, that the total amount of the credit shall not exceed, on a monthly basis, the total of the charges for each charge listing plus the basic monthly rate for the line or lines in question.
5. As used in paragraphs (1)-(4) of this subdivision, the terms error, mistake or omission shall refer to a discrepancy in the directory listing or directory assistance records which the company has failed to correct and where the error affects the ability to locate a particular customer’s correct telephone number. The terms shall refer to addresses only to the extent that an error, mistake or omission of an address
places the customer on an incorrect street or in an incorrect community.

(6) Such allowances or credits as specified in paragraphs (1)-(3) of this subdivision, shall be given upon notice to the company by the customer that such error, mistake or omission has occurred; provided, however, that when it is administratively feasible for the company to have knowledge of such error, mistake or omission, the company shall give credit without the requirement of notification by the customers.

PART 634
INTEREST ON CUSTOMER OVERPAYMENTS TO TELEPHONE UTILITIES
(Statutory authority: Public Service Law, § 118[3])

Sec.
634.1 General
634.2 Standards
634.3 Rate of interest
634.4 Limitations

634.1 General. Every telephone corporation shall provide interest on customer overpayments according to the standards and criteria set forth in this Part.

634.2 Standards. A customer overpayment is defined as payment by the customer to the utility in excess of the correct charge for telephone service supplied to the customer which was caused by erroneous billing by the utility.

634.3 Rate of interest. The rate of interest on such amounts shall be the greater of the unadjusted customer deposit rate or the applicable late payment rate, if any, for the service classification under which the customer was billed. Interest shall be paid from the date when the customer overpayment was made, adjusted for any changes in the deposit rate or late payment rate, and compounded monthly, until the date when the overpayment was refunded.

634.4 Limitations. This part applies to refunds returned to customers after the effective date of these rules. No telephone corporation shall be required to pay interest on customer overpayments that are refunded within 30 days after such overpayment is received by the telephone corporation.
641.1 Annual report required.

Except as provided in § 641.2 herein, every telephone corporation shall file, in accordance with the requirements of § 3.5 of this Title, annually with this Commission, at the time and for the period hereinafter provided, an annual report on the form hereinafter prescribed.

641.2 Utilities exempted.

(a) The provisions of this Part shall not apply to telephone corporations having 25 stations or less.

(b) Each telephone corporation having 25 stations or less is exempted from filing an annual report unless otherwise ordered by this Commission.

641.3 Definitions.

(a) As used herein, the term average annual operating revenues means the average of the operating revenues for three years preceding the year for which the report is made. The classification on a revenue basis of telephone corporations, however, shall be determined in accordance with the provisions of applicable uniform systems of accounts.

(b) The term corporations includes corporations, companies, associations, partnerships and persons, and their trustees or receivers appointed by any court.

641.4 Prescribed forms.

The following forms are hereby prescribed for the use of the several classes and groups of telephone corporations, and copies of such forms will be furnished or made available to each such corporation (see Appendix 6-A, infra).

641.5 Period covered.

Every telephone corporation shall file, in accordance with the requirements of § 3.5 of this Title, its annual report on the basis of the calendar year.

641.6 Filing of additional reports.

(a) The "metropolitan area" shall be understood to consist of the City of New York and the following counties: Nassau, Suffolk, Orange,
Rockland, Putnam and Westchester.

(b) Electronic reports shall be filed, in accordance with the requirements of ð 3.5 of this Title, by every telephone corporation in Classes A and B outside the metropolitan area described in subdivision (a) of this section.

(c) Electronic reports shall be filed, in accordance with the requirements of ð 3.5 of this Title, by each telephone corporation in Classes A and B in the metropolitan area described in subdivision (a) of this section.

641.7 Final dates for filing.

Every telephone corporation shall file, in accordance with the requirements of ð 3.5 of this Title, each annual report as soon as possible after the end of the year covered by the report, but in no event later than the date specified herein. The final dates for filing shall be as follows:

<table>
<thead>
<tr>
<th>Kind of Utility</th>
<th>Filing Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Telephone Corporations</td>
<td>March 31</td>
</tr>
</tbody>
</table>

642.1 Retention of records at principal office required.

Every corporation, company, association, joint stock association, partnership and person under the jurisdiction of this commission shall retain possession of all accounts, books, contracts, records, documents and papers, and hold them for inspection by the Public Service Commission or its agents or employees at the principal office of such corporation, company, association, joint stock association, partnership and person under the jurisdiction of this commission until this commission has approved of the transfer of its or their property.

642.2 Notice of transfer.

No such accounts, books, contracts, records, documents and papers shall be transferred from the principal office of such corporation, company, association, joint stock association, partnership and person under the jurisdiction of this commission until notice of such transfer has been submitted to the commission and approval thereof granted.

642.3 Applicability. This section shall not apply to telephone corporations that provide service primarily over their own or leased facilities and that do not provide local exchange service. This section shall not apply to non-incumbent telephone corporations that provide local exchange service primarily over their own or leased facilities.
Sec. 643.1 Petition for exemption from requirements
643.2 Action on petition

Section 643.1 Petition for exemption from requirements.

Any general business corporation supplying utility service where such utility service is wholly subsidiary and incidental to its primary business and is minor in amount as compared with its non-utility operations, may submit to this commission a properly verified petition setting forth the nature and extent of both its general business and its utility business, the number of customers served, the amount of revenue received from such business, and the reasons why it is believed it is not necessary in the proper regulation of its utility operations that its accounts and records be kept pursuant to the applicable system of accounts prescribed by this commission, or that it file with this commission annual reports in the form provided for applicable utilities.

643.2 Action on petition.

Upon the receipt of such a petition the commission will conduct a public hearing or make such other investigation as it shall deem necessary, and if it be found that proper and adequate regulation does not require the keeping of accounts in compliance with the system of accounts applicable to corporations primarily engaged in the public utility business or the filing of the type of annual reports required to be filed by such utility corporations, the petitioning corporation may be relieved from keeping its records and accounts in accordance with the applicable system of accounts prescribed by this commission but instead be authorized to keep only such accounts as shall be directed, and may be further authorized to file such form of annual report as may be prescribed.

Sec. 644.1 Information to be furnished
644.2 Preservation of records
644.3 Capital program filing

Section 644.1 Information to be furnished. Each utility shall furnish to the Department of Public Service at such times and in such forms as the department may require, the results of any required tests and summaries or any required records. The utility shall also furnish the department with any information concerning the utility's facilities or operations which the department may request.

644.2 Preservation of records.

All Records required by this Part shall be preserved for the period of time specified in Part 651, unless otherwise specified by the commission.

644.3 Capital program filing.

Each local exchange company shall file with the commission, by March
31st of each year:
(a) Capital expenditures, by major account category, actually incurred
during the previous calendar year and capital budget projections for
each of four years beginning with the current year.
(b) Details of the latest capital expenditure budgets approved by
management for the previous calendar year and for the following two
years, including brief descriptions of the major programs which comprise
the three year budgets approved by management.
(c) A comparison of the actual capital expenditures for the previous
calendar year and the amounts previously budgeted for that year and, by
major account category, explanations of any significant differences
between actuals and budgeted expenditures. Significant differences are
defined as plus or minus 20% if a company's construction budget was less
than $10 million for the latest calendar year, 10% if the budget was
more than $10 million but less than $100 million, and 3% if the budget
was more than $100 million.
(d) Other capital expenditure and accomplishment data to be specified
by the director of the communications division.
(e) This section shall not apply to telephone corporations that
provide service primarily over their own or leased facilities and that
do not provide local exchange service.

The level of detail and the reporting format will be prescribed by the
director of the communications division.

PART 645
RADIO-TELEPHONE UTILITIES
(Statutory authority: Public Service Law, ðò 94, 95, 99)

Sec.
645.1 Definitions

Section 645.1 Definitions. The following words and terms, when used in
this Part, shall have the meaning indicated:
(a) A radio-telephone utility is a telephone corporation, as defined
in the Public Service Law, which owns, operates, or manages any
radio-telephone facility used in providing for hire one way or two-way
radio communication of any form whatsoever between points in New York
State, regardless of whether the system is interconnected with a
landline telephone system, provided however, such term shall not include
any landline telephone corporations providing radio-telephone service
solely within their landline franchise areas. However, landline
telephone companies, in all instances, shall file contemporaneously with
this commission a copy of all applications filed with the Federal
Communications Commission which pertain to radio-telephone operations.
(b) Radio-telephone facility shall mean any facility within this State
which is operated to perform for hire the service of radio
communications to members of the public who subscribe to such service
and shall include all real property, stations, antennae, radios,
receivers, transmitters, instruments, appliances, fixtures and other
personal property used by a radio-telephone utility in providing service
to its subscribers.

PART 646
APPLICABILITY OF REGULATIONS TO RADIO-TELEPHONE UTILITIES
(Statutory authority: Public Service Law, ðò 94, 95, 99)
Sec. 646.1 Regulations applicable
646.2 Free trial service

Section 646.1 Regulations applicable. All provisions of Parts 600-646 of this Title shall be applicable to radio-telephone utilities with the exception of Parts 601, 602, 603, 604, 640 and 641 and section 644.3.

646.2 Free trial service. Due to the nature of the service provided by radio-telephone utilities and the number of variables which may affect the usefulness of the service to particular subscribers, notwithstanding the provisions of section 601.1 of this Title, radio-telephone utilities, and other telephone corporations providing radio-telephone service, may provide radio-telephone service free of charge for a five-day trial period during which the subscriber may gauge the usefulness of the service to his particular circumstances. The trial service may be provided to a prospective subscriber once during any two-year period.

PART 647
RESELLERS OF TELEPHONE SERVICES
(Statutory authority: Public Service Law, art. 5)

Sec. 647.1 Definition

Section 647.1 Definition. The following term, when used in these regulations, shall have the meaning indicated: a reseller of telephone services is a telephone corporation as defined in the Public Service Law, which shall subscribe to communications services and facilities from a telephone corporation, and which shall reoffer communications services to the public for profit. The term reseller shall not include landline telephone companies other than subsidiaries of landline companies which maintain separate books of account, and shall not include motels, hotels or hospitals insofar as they are providing service only to their transient guests or patients within the confines of their own institutions.

PART 648
APPLICABILITY OF REGULATIONS TO RESELLERS OF TELEPHONE SERVICES
(Statutory authority: Public Service Law, art. 5)

Sec. 648.1 Regulations applicable

Section 648.1 Regulations applicable. In Parts 600-648 of this Title, resellers of telephone service are subject only to the following provisions: Parts 620, 630, 647, 648 and sections 644.1 and 644.2 of this Title.

PART 649
REGULATIONS APPLICABLE TO PROVIDERS OF OPERATOR SERVICES
(Statutory Authority: Public Service Law, art. 5)

Sec. 649.1 Regulations applicable
649.2 Basic requirements
649.3 Rates and charges
649.4 Exclusive agreements prohibited
649.5 Enforcement
649.6 Emergency calls

Section 649.1 Regulations applicable. This Part shall apply to all telephone corporations as defined in the Public Service Law which provide intrastate operator assisted communications services by means of either human or automated call intervention, excluding local exchange telephone corporations to the extent that such corporations provide intrastate operator assisted communications services over their own or interconnected facilities and the rates and charges for such services are contained in rate schedules on file with the Commission.

649.2 Basic requirements. A provider of intrastate operator assisted communications services must:

(a) identify itself at the time the end-user accesses its services;
(b) upon request, quote all rates and charges for its services to the end-user accessing its system;
(c) arrange to have posted in plain view at each telephone location which automatically accesses the operator service provider's network and where its services are made available either to the public or transient end-users:
   (1) the operator service provider's name and address;
   (2) bill and service dispute calling information including the operator service provider's dispute resolution phone number;
   (3) clear and specific instructions informing the end-user how to access a local exchange telephone company operator as an alternative available to the end-user; and
   (4) notice concerning any and all amounts to be billed by the operator services provider on behalf of any host location or third party which will appear on the operator service provider's bill for services rendered.
(d) in instances when the provider is unable to complete the call and it requires transfer to another telephone corporation which may affect the rates and charges applicable to the telephone bill, inform the caller of the transfer and its possible effect on the applicable rates and charges, before any charges are incurred; and
(e) in the case of such a transfer, the telephone corporation or provider to which the call is transferred shall identify itself and inform the caller of the transfer's effect on the applicable rates and charges, before any charges are incurred.

649.3 Rates and charges.

(a) A provider of intrastate operator assisted communications services must file with the commission tariffs setting forth its rates, charges, rules and regulations.
(b) Whenever a provider files new tariffs or proposed changes in tariff rates previously effective, the provider shall file therewith an explanation of the rates or changes and of the basis therefor.
(c) Such tariffs shall not become effective for 75 days; and may, during that 75-day period, be suspended by the commission for a further period of up to eight months for investigation and hearing if the commission determines that the public interest so requires, unless the
maximum rates and charges to be charged by a provider do not exceed the
highest rates and charges authorized by the commission for use by a
local exchange telephone corporation or a dominant interexchange
telephone corporation in the State for similar kinds of operator
assisted telephone calls.

649.4 Exclusive agreements prohibited. Effective September 1, 1990,
providers of intrastate operator assisted communications services shall
not take any action or enter into any arrangement which restricts
end-user selection among competing interexchange telephone corporations
or end-user access to competing providers of intrastate operator
assisted communications services, or pay any commissions or other
compensation to any entity engaged in such action or arrangement.

649.5 Enforcement.

A provider of intrastate operator assisted communications services
which violates any provision contained in this Part is subject to having
its authority to provide such services revoked, its certificate of
public convenience and necessity suspended, and commission actions
pursuant to Public Service Law, sections 25 and 26.

649.6 Emergency calls. (a) A provider of intrastate operator assisted
communications services will be authorized by the commission to receive
direct routing to it of calls initiated by dialing solely "0", upon its
demonstration that it:

(1) can process all emergency calls with a high degree of reliability;
(2) can ensure that at the start of each call it will receive a signal
enabling it to pinpoint the specific location of the calling telephone;
(3) has internal procedures to police, monitor, and routinely test its
ability to continuously process emergency calls with a high degree of
reliability; and
(4) can and will maintain the ability to reliably and promptly connect
any "0" call which it cannot satisfactorily complete to the LEC operator
in the area serving the calling location, in a manner such that the
caller does not sense or believe that the call has been abandoned by the
operator.

(b) Such authorization shall take the form of an amendment to the
operator services provider's Certificate of Public Convenience and
Necessity.

(c) Upon a finding by the commission that the provider is not in
compliance with the requirements set forth in subdivision (a) of this
section, such authorization shall be revoked and the provider shall
notify the owners of all telephones it serves of the revocation.

PART 650
REGULATIONS APPLICABLE TO PAYPHONE
(Statutory Authority: Public Service Law ð ð 90(3) and 94(2))

Sec.
650.1 Requirements applicable to payphones
650.2 Operational and service requirements
650.3 Access to interexchange or local exchange companies
650.4 Notice requirements
650.5 Customer service requirements
650.6 Enforcement
Section 650.1 Requirements applicable to payphones.

A provider of telephone service to end users by means of a currency or credit operated telephone, hereinafter a "payphone", shall be subject to the requirements set forth in this Part. The term "COCOT," as defined in Public Service Law Sections 90 and 92-c, shall be used interchangeably with the term payphone.

650.2 Operational and service requirements.

The following operational requirements shall apply to payphones:

(a) Access to intraLATA directory assistance shall be provided;
(b) Calls to the 911 emergency number, to an operator, and to relay centers providing service to persons with speech, hearing, or other disabilities shall be completed at no charge to payphone end users.

When "9-1-1" is dialed from a payphone, the payphone must input a signal for a 911 call to the local exchange network with no perceptible delay. When a payphone end user dials "0", if no further digits are dialed within 5 seconds the call must be routed either to a local exchange carrier operator or to an operator services provider authorized by the commission to receive such calls. If additional digits are dialed by the caller within five seconds after dialing "0", the call may be routed at the discretion of the payphone service provider; and,

(c) Payphones, which are serviced by dedicated exchange access lines, shall be connected to the telephone network by means of a metered or measured service access lines, or a specially rated flat rate lines in situations where measured service is not available, offered pursuant to tariffs by local exchange carriers, an hereinafter referred to as "public access lines." Such public access lines are subject to the same regulatory requirements as other access line services provided by local exchange carriers.

650.3 Access to interexchange or local exchange companies.

(a) A payphone service provider shall not take any action or enter into any agreement which restricts an end user's access to any interexchange or local exchange carrier providing service to payphone callers within the local access and transport area (LATA) in which the payphone is located.

(b) A payphone service provider shall not take any action or enter into any agreement which restricts an end user's access to any interexchange or local exchange carrier providing interLATA long distance service to payphone callers.

650.4 Notice requirements.

(a) A payphone service provider shall conspicuously display on, or in the immediate vicinity of, its payphones the following information:

1) the identity of the payphone service provider; when ownership of a payphone changes due to merger with or acquisition by another company, the identity of the new owner must be registered within 30 days with the local exchange carrier serving the payphone and be posted at the payphone within 60 days of the ownership change or when scheduled maintenance is performed, whichever is earlier.

2) a statement indicating that calls can be made at no charge, and without need to deposit coins, use credit cards, or input any other information, to the 911 emergency number, relay centers for the disabled
and an operator;

(3) specific dialing and coin deposit/return information, including instructions for accessing a telephone company operator and directory assistance service;

(4) local call charging information, including the timing of and rates applicable during the initial call period and the timing of and rates applicable during additional (overtime) call periods;

(5) the identity of the local exchange and long distance companies carrying calls from the payphone on an automated or presubscribed basis, and instructions for obtaining access to other long distance carriers;

(6) a notice stating the location surcharge, if any, that is imposed on an end user for placing a local distance call, unless such information is made available through an on-line audio notification system pursuant to Section 650.4(b) of this Part and instructions for accessing the system are posted;

(7) a toll-free number that an end user can dial to obtain information on the rates, surcharges, terms or conditions applicable to calls placed to the presubscribed carrier from the payphone, unless such information is made available through an on-line audio notification system pursuant to Section 650.4(b) of this Part and instructions for accessing the system are posted;

(8) a toll-free number that an end user can call to resolve, through the payphone service provider, billing and service quality complaints;

(9) a toll-free number that an end user can dial to reach the Department of Public Service for assistance in resolving an intrastate complaint;

(10) the rates charged for interLATA Directory Assistance calls placed to the presubscribed carrier; and

(11) the rates charged for intraLATA Directory Assistance calls placed to the presubscribed carrier.

(b) At payphones where on-line audio rate notifications are available from long distance carriers to callers who place interstate long distance calls, pursuant to 47 CFR 64.703 (a)(4) (1998):

(1) similar audio rate notifications must also be available to end users placing intrastate long distance calls.

(2) the notice requirements contained in Section 650.4(a)(6) and (7) of this Part are waived, provided instructions for accessing the on-line audio rate notification system are posted. (47 CFR Section 64.703 is available for purchase from the U.S. Government Printing Office, Superintendent of Documents, Mail Stop: SSOP, Washington, D.C. 20402-9328 and for inspection and copying at the Public Service Commission, 3 Empire State Plaza, Albany, NY 12223.)
install public access line service by other local exchange carriers; and, penalties imposed pursuant to paragraph 3 of Public Service Law, section 90(3). Provision of public access line services to all payphones owned by a person or entity or affiliate thereof may be discontinued by current local exchange carriers and refused by other local exchange carriers if that person or entity repeatedly violates the rules set forth in this Part.

(b) Every local exchange carrier providing public access line services to payphones, shall:

(1) maintain a list of payphones being served, and provide access to that list to the Department of Public Service;

(2) adopt, as part of its schedule of rates and charges, a provision stating that provision of public access line service to payphones may be terminated and refused for violation of the rules set forth in this Part; and

(3) discontinue provision of public access line service, or refuse to install public access line service, to payphones upon directive of the commission or a department director pursuant to the provisions of this Part.

(c) The Department of Public Service staff is authorized to conduct any investigation necessary to ensure compliance with Public Service Law, section 90(3) and the requirements set forth in this Part. Upon finding a violation, the staff shall issue a written citation to the payphone service provider, stating the penalty and the violation. Within 30 days, the payphone service provider must pay any fine assessed and correct the violation, or notify the department that the citation will be contested. Such notification shall include a statement of the grounds upon which the citation is being contested. Any citation that is contested shall be subject to an investigation, hearing and determination by the commission.

(d) Where the penalty prescribed in a staff citation issued pursuant to Section 650.6(c) of this Part, is discontinuance of service, and the citation has not been contested within 30 days of issuance, the staff shall direct the local exchange carrier currently providing public access line service to the payphone to discontinue the service, and all other local exchange carriers operating in the area not to install public access line service to the offending payphone.

(e) Where public access line service to a payphone has been discontinued pursuant to the provisions of this Part, an application for restoration of service may be made to the staff, demonstrating that the conditions which prompted the discontinuance of service will not recur. Within 60 days, the staff shall either deny the application or direct the local exchange carrier formerly serving the payphone that it shall restore public access line service and other local exchange carriers providing service in the area that they may install public access line service. If such an application is denied, the applicant may, within 30 days, contest the denial, in which case there will be an investigation, hearing and determination by the commission.

(f) Discontinuance of public access line service to a payphone pursuant to the provision of this Part shall not affect the right of an unaffiliated person or entity to apply directly to a local exchange carrier for installation of public access line service at or near the same location.

(g) A local exchange carrier instructed to disconnect, or to refuse to
install, public access line service to a payphone owned or controlled by
a non-affiliated company, pursuant to the provisions of the Part, shall
not convey any information about such instruction to any affiliated
payphone operation.

PART 651

PRESERVATION OF RECORDS

(Statutory authority: Public Service Law, § 94 [2])

Note: The schedule of records and periods of retention showing the
minimum periods of time that designated books, accounts, records and
memoranda shall be preserved by telephone corporations is contained in
Section 651.19 of this Part.

Sec.

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Section 651.1 Applicability.

This Part is prescribed and promulgated as the regulations governing
the preservation of records of telephone corporations excluding other
common carriers and cellular communications companies, subject to the
jurisdiction of the commission, engaged in furnishing telephone service.
As used in this Part, the term "telephone corporation" includes every
corporation, company, association, joint-stock association, partnership
and person, owning, operating or managing any telephone line or part of
telephone line used in the conduct of business of providing telephone
service or telephonic communication for hire.

651.2 Scope of the regulations in this Part.

(a) The regulations in this Part, effective November 1, 1993, apply to
all accounts, records, memoranda, documents, papers, and correspondence
prepared by or on behalf of the telephone company as well as those which
come into its possession in connection with the acquisition of property,
such as by purchase, consolidation, merger, etc.

(b) The regulations in this Part shall not be construed as excusing
compliance with any other lawful requirement for the preservation of
records for periods longer than those prescribed in this Part.

(c) Unless otherwise specified in section 651.11 of this Part,
duplicate copies of records may be destroyed at any time; provided, however, that such duplicate copies contain no significant information not shown on the originals and that precautions have been taken to assure the continued retention of the originals (or one true copy) for the full period required under the regulations in this Part.

(d) Records other than those listed in section 651.11 of this Part may be destroyed at the option of the company; provided, however, that records which are used in lieu of those listed shall be preserved for the periods prescribed for records used for substantially similar purposes. And provided further, that retention of records pertaining to added services, functions, plant, etc., the establishment of which cannot be presently foreseen, shall conform with the principles promulgated in section 651.11 of this Part.

(e) Notwithstanding the provisions of the schedule of records and periods of retention, the commission may, upon the request of the company, authorize a shorter period of retention for any record listed therein upon a showing by the company that preservation of such record for a longer period is not necessary or appropriate in the public interest or for the protection of investors or consumers.

SO DOC 16C-651.3
651.3 Designation of supervisory official.
Each company subject to the regulations in this Part shall designate one or more officials to supervise the preservation and the authorized destruction of its records.

SO DOC 16C-651.4
651.4 Protection and storage of records.
The company shall protect records subject to the regulations in this Part from damage from fires, floods, and other hazards and, in the selection of storage spaces, safeguard the records from unnecessary exposure to deterioration from excessive humidity, dryness, or lack of proper ventilation.

SO DOC 16C-651.5
651.5 Definition of record media.
(a) For the purpose of this Part, the data constituting the records listed in the schedule of records and periods of retention may be retained in any of the media forms in Figure 1 of this Subdivision, or in any other generally accepted electronic or photographic media form provided that the media selected has a standard life expectancy equal to or in excess of the specified retention period. However, records supporting plant cost shall be retained in their original form unless microfilmed. (See section 651.11 of this Part for periods of retention.) In no instance will media regeneration to achieve the full length of period retention be allowed without commission approval of the request of the company, which approval will be based on the condition of the record and its projected life expectancy. In emergency cases management shall take such action as prudence calls for and notify the commission thereafter.

FIGURE 1 - RECORD MEDIA

<table>
<thead>
<tr>
<th>Record media/form</th>
<th>Media</th>
<th>expected life</th>
<th>Comments and standards</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Paper &amp; card stock (hard-copy)</td>
<td>Archival</td>
<td>permanency</td>
<td>For each document, paper stock should be selected with a life expectancy equal to or greater</td>
</tr>
</tbody>
</table>
than the retention period specified for that document.

2. Tape magnetic and (including video tape) 5 years Assumes storage in a controlled environment with a temperature humidity range of 60-80 degrees F and 40-60% respectively. (See section 651.8 for specific storage conditions.)

Punched Archival permanency For each record, tape media (paper, mylar, metallic base) should be selected with a life expectancy equal to, or greater than, the retention period specified for that record.

3. Microforms
   b. Updatable type Dependent on use of Media For temporary records not requiring archival permanency so long as the microfilm or film selected has a life expectancy equal to, or greater than, the retention period for that record. Same storage conditions as for microfilm.
   c. Metallic Archival permanency Same storage conditions as for microfilm.

(b) If the media form of the record retained is other than a readable paper copy, then reader and/or printer equipment and related printout programs, if required, shall be provided by the utility for data reference.

(c) The media form initially selected for the record becomes the "original" for that particular record. If subsequent conditions (e.g., improved media life expectancy, increased utility resources, environmental factors) require and the remaining retention period permits a change in the media forms, the utility may convert to another media, provided the certification processes described in section 651.6 of this Part are observed and data referencing capability is maintained.

NYCRR 651.6 Microform, tape and computer output certification.

(a) As the initial recording media: (1) Except as provided for in paragraph (2) of this subdivision each microform record series shall contain, at the beginning, a microform introduction stating the title of
the record series, the date prepared, the name of the official responsible for validating the data contained therein. Each microform record series shall be closed with a clear and standard microform notation indicating the completion of the series and the date.

(2) If an official permanent record series is a computer output product (i.e., output paper or microfilm, jacket microfiche or aperture cards), any certification that may otherwise be required under paragraph (1) of this subdivision is not required if:

(i) the series is prepared in accordance with written standard procedures developed or accepted general business practices followed by the company that ensure the integrity of record series that are the product of computer output; and

(ii) such procedures or practices include the name or title of the official responsible for validating or confirming the data contained in the record series and confirming that a particular computer output record series was produced in accordance with the standard procedures or practices.

(3) If after validation, supplemental data and/or corrections (i.e., resulting from computer programming) are required, said microform may be produced separately or as a part of the series rerun, but shall be affixed to the original microform certificate as described in paragraph (1) of this subdivision.

(4) Each tape record series shall be externally labeled and shall include, as a basic part of the program, at the beginning of that series an introduction stating the record series title, date prepared, the name of the official responsible for validating or confirming the data contained therein and an index where appropriate. Each record series shall be closed with a clear and standard notation indicating the completion of that series and the date.

(b) Conversion from other media:

(1) Each microform record series shall include, as an integral part, a certificate(s) stating that the microform are direct and facsimile reproductions of the original records and that they have been made in accordance with prescribed instructions. Such certificate(s) shall be executed by a person(s) having personal knowledge of the facts covered thereby.

(2) Each microform record series shall commence and end with a statement as to the nature and arrangement of the records reproduced, and the date. Rolls of film shall not be cut, except to produce jacketed microfiche. Supplemental or retaken film, whether of misplaced or omitted documents or of portions of microform found to be defective, shall be attached to the beginning of the microform record series. However, if a retrieval system using such methods as, for example, image count indexing or "blipping" is used, the supplemental or retaken film may be attached at the end of the series, if provisions at the beginning of the series advise the viewer of the location of the problem frames and the location of the supplemental or retaken frames. If supplemental or retaken film of misplaced or omitted documents, or of portions of microform found to be defective, are attached to the microform record series, the certificate described in paragraph (1) of this subdivision above shall cover the supplemental or retaken film and shall state the reasons for the attachment.

(3) If, in accordance with the provisions of section 651.7 of this Part, the telephone utility elects to convert records to the tape media,
the same certification provision specified in paragraph (a) (4) of this section must be provided in the conversion program.

651.7 Change of media for existing records.
Those records prepared and maintained under previous regulations in a paper media and whose remaining retention period falls within the life expectancy range of any of the media detailed in section 651.5, Figure 1 of this Part, may be converted to that media at the telephone utility's option, provided the applicable certification processes described in section 651.6 of this Part are observed and an audit referencing capability maintained.

651.8 Media. (a) All records created or maintained in a media and a format other than readable entries on paper shall:
(1) be prepared, arranged, classified, identified and indexed as to permit the subsequent location, examination and reproduction of the record to a readable media;
(2) be stored in such a manner as to provide reasonable protection from hazards such as fire, flood, theft, etc. and maintained in a controlled environment;
(3) be regenerated, including proper certification, when damaged.
(Also see section 651.5(a) of this Part.)
(b) The company shall be prepared to furnish, at its own expense, standard facilities for reading media and shall additionally provide, if the commission so directs, copies of the record in a readable form.
(c) All film stock shall be of approved operationally-permanent-record microcopying type, which meets the current specifications of American National Standard ANSI/AIIM MS14-1988.

651.9 Destruction of records. The destruction of the records permitted to be destroyed under the provisions of the regulations in this Part may be performed in any manner elected by the carrier concerned. Precautions shall be taken, however, to macerate, or otherwise destroy the legibility of, records the content of which is forbidden by law to be divulged to unauthorized persons.

651.10 Premature destruction or loss of records.
When records are destroyed or lost before the expiration of the prescribed period of retention, a certified statement listing, as far as may be determined, the records destroyed and describing the circumstances of accidental or other premature destruction or loss shall be filed with the commission within 90 days from the date of discovery of such destruction.

651.11 Schedule of records and periods of retention. A schedule of records is hereby prescribed for use by telephone corporations for record retention requirements of this Part. The schedule of records contained in section 651.19 of this Part, shows the periods of time that designated records shall be preserved. However, records related to plant shall be retained a minimum of 30 years unless otherwise specified in section 651.19 of this Part.

651.12 Retention periods designated "Destroy at option". Use of the retention period, "Destroy at option", in the regulations in this Part
constitutes authorization for such destruction under the conditions specified for the particular types of records, only if such optional destruction is appropriate to limited managerial interest in such records and if such optional destruction is not in conflict with other legal retention requirements or usefulness of such records in satisfying pending regulatory actions or directives.

651.13 Records of services performed by affiliated companies. The telephone corporation to which the regulations in this Part apply shall assure the availability of records of services performed by affiliated companies for the periods indicated herein, as are necessary, to support the cost of services rendered to it by an affiliated company.

651.14 Index of records. At each office of the company where records are kept or stored, such records as are required by this Part to be preserved shall be so arranged, filed, and currently indexed that they may be readily identified and made available to representatives of the commission. In the principal office of the company a master index shall be available showing the physical location of the various classes of records, the periods to which such classes of records relate, and the locations, names, and titles of the custodians.

651.15 Notes to schedule of records and periods of retention. (a) For the purposes of the regulation, a stockholder's account may be treated as a closed account at the time that such stockholder ceases to be a holder of record of the particular class and series of stock of the company and the six-year retention period prescribed herein shall run from that date. If such person subsequently acquires shares of capital stock of the company and thus again becomes a stockholder of the company, the record of such acquisition shall be treated as a new stockholder account.

(b) The terms "bonds" and "debentures," as used in captions (a) through (f) of this item 4 (section 651.19 of this Part), shall include all debt securities, such as bonds, debentures or notes other than debt securities which evidence temporary borrowings and which are expected to be repaid out of the proceeds of the sale of longer term securities. Typical of such temporary debt securities as described in caption (i) of this item 4 (section 651.19 of this Part), would be notes issued to banks evidencing temporary working capital and construction loans.

(c) Canceled bonds and debentures and paid interest coupons pertaining thereto may be destroyed, provided that a certificate of destruction giving full description reference to the documents destroyed shall be made by the person or persons authorized to perform such destruction and shall be retained by the company for the period herein prescribed. The certificate of destruction evidencing the destruction of paid interest coupons pertaining to bonds and debentures need not contain a listing of the bond or debenture, serial numbers pertaining to such paid interest coupons. When documents represent debt secured by mortgage, the certificate of destruction shall also be authorized by a representative of the trustee(s) acting in conjunction with the person or persons destroying the documents or shall have the trustee(s) acceptance thereon. The certificate of destruction above described may be destroyed six years after the payment and discharge of the bonds or debentures or interest coupons described in such certificate.
(d) If a retention period is prescribed elsewhere in the schedule (section 651.19 of this Part), with respect to any document which is included as an exhibit to any filing retained pursuant to the requirements of this item 5 (section 651.19 of this Part), the company need retain only one copy of such document in its files provided appropriate cross references are established.

SO DOC 16C-651.16

651.16 Retention of telephone toll records.
Each company that offers or bills toll telephone service shall retain for a period of 18 months such records as are necessary to provide the following billing information about telephone toll calls: the name, address, and telephone number of the caller, telephone number called, date, time, length of call, method of completion of call (e.g., direct dial, operator assisted, third number or calling card) and automatic message accounting tapes. Each company shall retain this information for toll calls that it bills whether it is billing its own toll service customers for toll calls or billing customers for another company.

SO DOC 16C-651.17

651.17 Retention of complaint records. Except as specified in section 651.16 of this Part, each company shall retain records required by section 651.11 of this Part. Schedule of records and periods of retention, for the period established therein. Records relevant to complaint proceedings not already contained in the company index of records should be added to the index as soon as a complaint is filed and retained until 60 days after final disposition of the complaint. Records a company is directed to retain as the result of a proceeding or inquiry by the commission to the extent not already contained in the index will also be added to the index and retained until 60 days after final disposition of the proceeding or inquiry.

SO DOC 16C-651.18

651.18 Incorporation by reference.
(a) Any documents or parts thereof incorporated by reference in this Part are a part of this regulation as though set forth in full herein.
(b) All incorporated documents are available for inspection and copying at the Public Service Commission's Office, Empire State Plaza, Building 3, Albany, NY 12223. In addition, the documents are available from the American National Standards Institute, 11 West 42nd Street, New York 10036.
(c) The material from ANSI (ANSI/NAPM IT9.1-1992, for Imaging Media (Film)--Silver-Gelatin Type--Specifications for Stability, and ANSI IT9.11-1991, for Imaging Media--Processed Safety Photographic Film--Storage), is used with the permission of the American National Standards Institute. Copies of the standards may be purchased from the American National Standards Institute at 11 West 42nd Street, New York, NY 10036.

SO DOC 16C-651.19

651.19 Schedule of records and periods of retention table.

PRESERVATION OF RECORDS

Schedule of records and periods of retention table.

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SCHEDULE OF RECORDS AND PERIODS OF RETENTION

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<th>ITEM</th>
<th>DESCRIPTION</th>
<th>RETENTION PERIOD</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Capital stock records:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(a) Capital stock ledgers or other records showing the same information</td>
<td>6 years after the stockholders' account is closed. See section 651.15(a).</td>
</tr>
<tr>
<td></td>
<td>(b) Capital stock subscription accounts, warrants, requests for allotments and other essential papers related thereto</td>
<td>2 years after settlement.</td>
</tr>
<tr>
<td></td>
<td>(c) Stubs or similar records of capital stock certificate issuance where not used as capital stock ledger record</td>
<td>6 years after cancellation of certificate. If this record serves the purpose of a capital stock ledger, Item 1(a) is applicable.</td>
</tr>
<tr>
<td></td>
<td>(d) Stock transfer registers or sheets or similar records</td>
<td>6 years after last entry on page or sheet of record.</td>
</tr>
</tbody>
</table>
(e) Papers pertaining to or supporting transfers of capital stock:

(1) Papers that are recorded officially in a court or in the office of some other public recording authority; and other papers presented by any bank or trust company requesting transfers in its capacity as a fiduciary and miscellaneous papers

(f) Canceled capital stock certificates where not used as capital stock ledger records

(g) Change of address notices of stockholders

(h) Bonds of indemnity and affidavits covering issuances of stock certificates to replace lost certificates

(i) Letters, notices, reports, statements and other communications distributed to all stockholders of a particular class:

(1) Formal communications addressed to all stockholders of a particular class, including annual reports to stockholders, notices of annual and special meetings of stockholders, and other notices, reports, letters or statements relating to corporate or stockholder actions

(2) Interim reports of operations, speeches of corporate officers, notices of change of corporate address of telephone numbers, etc.

(j) Dividend registers, lists or similar records

(k) Paid dividend checks

(l) Third party dividend orders

2. Proxies and voting lists:

(a) Proxies of holders of voting securities

(b) Lists of holders of voting securities

Destroy at option or return to stockholder.

6 years after cancellation of certificate. If this record serves the purpose of a capital stock ledger, item 1(a) is applicable.

Destroy at option after changes are recorded.

6 years after expiration of bonds.

Permanently.

6 years after the date thereof.

6 years.

6 years.

6 years after recision order.

3 years.

1 year.
represented at meetings

3. Reports to stockholders:
   (a) Annual reports or statements to stockholders Permanently.
   (b) Written acknowledgments of receipts of reports to stockholders and written requests for copies of such reports Destroy at option.

4. Debt security records: See section 651.15(b)
   (a) Registered bond and debenture ledgers 3 years after redemption.
   (b) Bond and debenture subscription accounts, warrants, subscription notices, requests for allotment and essential papers related thereto 3 years after settlement.
   (c) Stubs or similar records of bond and debenture certificates issued 3 years after redemption.
   (d) Papers pertaining to or supporting transfers of registered bonds and debentures:
      (1) Papers that are recorded officially in a court or in the office of some other public recording authority; and other papers presented by any bank or trust company requesting transfers in its capacity as a fiduciary, plus other miscellaneous papers Destroy at option or return to holders of the bonds or debentures.
   (e) Records of bond and debenture interest coupons paid and unpaid See section 651.15(c).
   (f) Canceled bonds and debentures and paid interest coupons pertaining thereto Destroy at option.
   (g) Trust indentures, loan agreements or other contracts or agreements securing debt securities issued. 6 years after redemption.
   (If such papers or documents are included among the records covered by Item 5 of the table, this instruction will not apply)
   (h) Copies of reports, statements, letters or memoranda filed with Trustee(s) pursuant to provisions (Destroy at option provided that the Trustee(s) under such in-
of trust indenture or other security instrument or agreement securing debt securities issued

denture or security instrument is a National Bank, a member of the Federal Reserve System or a subsidiary of any such National Bank or Federal Reserve System member bank; and provided further that the trustee(s) has certified to the company that copies of all such documents will be available in the offices of the trustee(s) for inspection at any time prior to redemption by holders of debt securities to which such documents relate and for inspection by any Federal or State regulatory authority prior to redemption and for an additional period of six years after redemption.)

(i) Paid or canceled debt securities evidencing temporary borrowings

(j) Paid interest checks

5. Filings with and authorizations by regulatory agencies:
(a) Authorizations from regulatory bodies for issuance of securities:
(1) Copies of applications to regulatory bodies for authority to issue stocks, bonds, and other securities, including copies of exhibits in support of such applications
(2) Official copies of opinions and orders of regulatory bodies granting authority to issue securities
(3) Reports filed with regulatory bodies in compliance with authorizations to issue securities. (Reports of sales of securities of application of proceeds etc.) File copies of such reports and supporting papers
(b) Copies of registration statements and other data
6. Organizational documents:
   (a) Minute books of stockholders', directors', and directors' committee meeting. Permanently.
   (b) Titles, franchises, and licenses:
      (1) Deeds and other title papers (including abstracts of title and supporting data) 6 years after property is disposed of unless surrendered to transferee. 6 years after expiration or cancellation.
      (2) Corporate charters or certificates of incorporation Permanently.
      (3) Franchises and certificates authorizing operations as a public utility Life of corporation.
      (4) Copies of formal orders of regulatory commissions served upon the utility Permanently.
   (c) Permits:
      (1) Permits and granted applications for the use of facilities of others 6 years after expiration or cancellation.
      (2) Copies of permits and applications granted others for the use of the utility's facilities 6 years after expiration or cancellation.
      (3) Applications for the use of facilities not granted and copies of such applications Destroy at option.
      (4) Permits, privileges, Licenses, or rights of a temporary nature from municipal or other governmental authorities or others 1 year after expiration or cancellation.
(5) Continuing and limited-term permits or authorizations from governmental authorities or others
(d) Patents and copyrights:

(1) Copy of patent applications, invention descriptions, memoranda and other data relating thereto
(2) Agreements with employees for assignments of inventions
(3) Copy of copyright applications, with specimen copies
(4) Letters patent and copyright certificates
(5) Licensing and royalty agreements, assignments, or grants
(e) Records relating to preservation and destruction of records
(1) General bulletins, circulars, list of forms and other records, and other instructions to employees pertaining to preservation and destruction of records
(2) Historical record of designation of supervisory official (see section 651.3)
(3) Index of records (See section 651.14)
(4) Reports of premature destruction (See section 651.10)
(f) Organization diagrams and charts
7. Contracts and agreements (except contracts provided for elsewhere):
(a) General service contracts and license agreements, such as for financial, engineering, legal, patent and other general services
(b) General contracts for the purchase, sale or repair of materials and supplies:
(1) With affiliated companies

3 years after expiration or cancellation.

Until expiration of patent.

Until termination of agreement.

Until expiration of copyright.

Until expiration of patent or copyright.

Until expiration of patent or copyright.

6 years after expiration or supersedure.

Permanently.

Until expiration of period prescribed for records destroyed.

7 years.

6 years after expiration or supersedure.

25 years after expiration or cancellation.
(2) With others                      6 years after expiration or cancellation.

(c) Leases pertaining to             6 years after expiration or cancellation.
to rentals of property              expiration or cancellation.
to or from others                    cancellation.
(d) Contracts and                    6 years after expiration or cancellation.
agreements with                     expiration or cancellation.
individual employees,               expiration or cancellation.
labor unions, company unions, and
employee organization relative       expiration or cancellation.
to wage rates, hours and similar
matters
(e) Contracts, agreements,           6 years after expiration or cancellation.
and/or other essential records
necessary to the carrying out of the
functions of an employee's stock
purchase or other type of employee's
saving plan
(f) Contracts or agreements for the
acquisition or disposal of investments (excluding temporary cash investments)
(g) Contracts with other companies
for the interchange of business,
divisions of revenues, and
interchange of employees' benefit
obligations
(h) Contracts or agreements relating
to construction, purchase or other
acquisition or sale, removal or
disposal of communication plant:
(1) Contracts for the acquisition
from predecessors of substantially
complete operating systems
(2) Other contracts and agreements
(i) Pension trust agreements, with
all amendments and correspondence
with trustee
(j) Contracts or agreements for
joint ownership or joint use of
communications plant
(k) Memoranda essential to clarify-
ning or explaining provisions of
contracts listed above
(l) Card or book records of contracts, leases, and agreements made showing dates of expiration and of renewals, memoranda of receipts and payments under such contracts, etc.

8. Accountants' and auditors' reports:
   (a) Reports of examinations and audits by accountants and auditors not in the regular employ of the utility (Such as reports of public accounting firms and regulatory commission accountants)
   (b) Internal audit reports and work papers
   7 years after date of report or commission audit, whichever comes last.

AUTOMATIC DATA PROCESSING
9. Automatic data processing records (Retain original source data used as input for data processing and data processing report printouts for the applicable periods prescribed elsewhere in the schedule):
   (a) Punched cards, tapes or similar media used as intermediate records or steps in data processing for assembling data to be posted to the records of the company or used in a report or study
   Destroy at option.
   (b) Program documentation and revisions thereto
   Retain for periods prescribed for related output data. Statements and illustriations as to the scope of operations should be sufficiently detailed to indicate
   (a) the application being performed, (b) the procedures employed in each application (which, for example, might be supported by flow charts, block diagrams or other descriptions of operating procedures), and (c) the
controls used to insure accurate and reliable processing. Major program changes, together with their effective dates, should be noted in order to preserve an accurate chronological record.

GENERAL ACCOUNTING RECORDS
10. General and subsidiary ledgers:
   (a)(1) General ledgers 50 years.
   (2) Ledgers subsidiary or auxiliary to general ledgers except ledgers provided for elsewhere
   (b)(1) Indexes to general ledgers 50 years.
   (2) Indexes to subsidiary ledgers except ledgers provided for elsewhere
   (c) Trial balance sheets of general and subsidiary ledgers 2 years.
11. Journals:
   (a) General and subsidiary 50 years.
12. Journal vouchers and journal entries including supporting detail:
   (a) Journal vouchers and journal entries 50 years.
   (b) Analyses, summarizations, distributions, and other computations which support journal vouchers and journal entries
   (c) Schedules for recurring journal entries Destroy when superseded.
   (d) Lists of standard journal entry numbers Destroy when superseded.
13. Cash books:
   (a) General and subsidiary or auxiliary books 10 years after close of fiscal year.
      See item 12(a).
14. Voucher registers:
   (a) Voucher registers or similar records when used as a source document 6 years. See section 651.11.
15. Vouchers:
   (a) Paid and canceled vouchers (one copy analysis sheets showing detailed distribution of charges on individual
vouchers and other
supporting papers)
(b) Original bills and 6 years. See
invoices for materials,
services, etc., paid by
vouchers
(c) Paid checks and invoices See section 651.11.
receipts for payments
by voucher or otherwise
(d) Authorization for the 6 years. See section 651.11.
payment of specific
vouchers
(e) Vouchers related to
acquisition of stock or
evidences of debt and
other investments
(including advances) in
other communication
companies
(f) Vouchers related to
purchase or other
acquisition of plant of other
communications companies
(g) Nonplant related vouchers 6 years or until
supporting affiliated
transactions
a compliance audit has
been completed, whichever
is longer.

(h) Lists of unadited
bills(accounts payable),
lists of vouchers trans-
mitted and memoranda regarding
charges in unaudited bills
(i) Voucher indexes
16. Accounts receivable (see
items 54 and 55 for
accounts with customers for
utility service and for
equipment services):
(a) Records of accounts 3 years after
receivable pertaining to
sales of utility plant
settlement.
(b) Record or register of 3 years after
accounts receivable and
indexes thereto and
summaries of distribution
settlement.
(c) Accounting department
copies of invoices issued
and supporting papers
which do not
accompany the original
invoices and authorizations
for charges including
supporting papers
(d) Periodic statements
Destroy at option.
of unsettled accounts, except trial balances
(e) Schedule of invoices Destroy at option.
to be issued
17. Records of securities owned:
(a) Records of securities 6 years after
owned, in treasury, or disposal of the
with custodians investment.
(excluding temporary
investment of cash)
18. Payroll records:
(a) Payroll sheets or 6 years.
registers of payments See section 651.11.
of salaries and wages
(b) Records showing the 6 years.
distribution of salaries See item 12(b).
and wages paid and summaries or recapitulation statements of such distribution
(c) Time tickets, time sheets, 6 years.
time books, time cards,
workers' reports and other records showing hours
worked, description of work and accounts to be charged:
(1) When used as a 6 years.
basis for payment See section 651.11.
of salaries and wages supporting records described in Item 18(a)
(2) When used solely Destroy at option, if the basic information
as basis for described in Item 18(b) has been transcribed
supporting records to other records,
otherwise see section 651.11.
(d) Paid checks, receipts 3 years.
for wages paid in cash and other evidences of payments for services rendered by employees
(e) Nonplant related vouchers supporting 6 years or until
affiliated transactions a compliance audit has been completed,
(f) Applicants and whichever is longer. 3 years. See section 651.11.
authorizations for changes in wage and
salary rates, summaries and reports of changes in payrolls, and similar records
(g) Applications for payroll changes not authorized Destroy at option.
(h) Payroll authorizations and records of authorized positions 3 years.
(i) Records of deductions from payrolls
(j) Comparative or analytical statements of payrolls
(k) Employee's individual earnings record 6 years after termination of employment.

19. Assignments, attachments, and garnishments:
(a) Record of assignments, attachments, and garnishments of employees' salaries, including files of notices, etc., pertaining thereto
(b) Minors' salary releases

INSURANCE
20. Insurance records:
(a) Records of insurance policies in force, showing coverage, premiums paid and expiration dates
(b) Insurance policies after expiration of such policies.
(c) Records of amounts recovered from insurance companies in connection with losses and of claims against insurance companies, including reports of losses and supporting papers
(d) Inspectors' reports and records of condition of property
(e) Insurance maps of property and structures erected thereon
(f) Records and statements relating to insurance requirements

21. Injuries and damages:
(a) Claim registers, card or book indexes and other records in connection with claims presented against the company in connection with accidents resulting in damage to the prop-
ergy of others or
personal injuries,
including investigations
of stolen property,
robberies and
frauds
(b) Papers, reports,
2 years after
statements of
witnesses, etc., necessary
to the support or rejection
of individual claims against the
the company
(c) Other papers, reports
Destroy at option.
or statements, pertaining
to accidents resulting
in property damages or personal
injuries, not necessary to the
support or rejection of claims
(d) Detailed schedules or spread
sheets of payments to others for
personal injuries or for property
 OPERATIONS

22. Service orders and plant
assignment, repair service, trouble,
inspection and testing records,
including data which are stored in
electronic data storage devices
associated with computers:
(a) Copies of service orders used
as a basis for entries to:
(1) Plant and expense accounts,
6 years. See
that is, when used in lieu
of, or when similar to,
basic work or material
reports
(2) Revenue and receivable
accounts and related
accounting records
(3) Statistical records
For life of
of telephones, etc.
customer's account
and one year after inactive.
(4) Customers' service
6 years.
records
(5) Directory records
3 years.
(6) Traffic information
3 years.
or other central
office records
(b) Copies of service
2 years.
orders used to check
accuracy of work and
material reports
(c) Copies of service
2 years.
orders, lists, or other
memoranda based on service orders and supporting forms such as wiring plan work sheets and assignment memoranda, used as instructions for performance of plant work involved in completing service orders.

(d) Cards or other forms used as records of uncompleted or held telephone service application orders 6 years after service is furnished or 4 years after application or order is canceled.

(e) Completed service orders and similar records or copies thereof (see item 22[a][2]), notices of completion of service orders, restoral of telephone service notices, and other authorizations used as basis for billing to customers and miscellaneous debtors or for entries to records used in such billing (see items 54[a],[b] and [f])

(f) Lists, cards, or other records of subscriber plant facilities, trunks, circuits, or other plant available for assignment or assigned, including records of working interoffice trunks, miscellaneous circuits, toll circuit layouts, and equipment associated with particular lines or circuits

(g) Tickets, logsheets, subscriber line records, toll circuit trouble records or other forms or electronic storage devices used to record individual trouble reports and conditions found:

(1) Historical records, such as subscriber line and circuit trouble history records 2 years after line or circuit is retired from service.

(2) Other records 2 years.

(h) Test and inspection schedules, instructions, check lists and other working papers, and reports or records of results, exclusive
of records of troubles covered by item 22(g) and records of defects, etc., covered by item 22(i)

(i) Lists or other records of plant defects, potential defects or unsatisfactory plant conditions, maintained as a basis for remedial work

(j) Lists or other records of telephone equipment maintenance or servicing requirements, e.g., required relay adjustments

(k) Radio transmitting and receiving station log sheet or other station record showing when energized, changes in frequency, reports of trouble, results of routine tests, etc.

(l) Other copies of service orders and similar records

23. Contracts, applications, correspondence, and memoranda relative to establishing, changing, or discontinuing service to customers:

(a) Contracts or agreements (with any related maps or diagrams) with customers covering specially engineered or assembled facilities and equipment or other special service arrangements for which the special charges involved are not specifically stated in tariffs, rate schedules, or other rate authorities

(b) Contracts or agreements covering arrangements with service line companies, public telephone and toll station agents, hotel private branch exchanges, and similar contracts related to service to customers

(c) Contracts or agreements with customers covering standard or regular service arrangements for which charges or rates are

1 year after work is completed.

Until list is superseded or equipment is retired.

1 year after record is superseded or is retired from active file.

As provided for items 22(a), (b) and (c).
specifically stated in tariffs or other rate authorities

(d) Correspondence with customers and memoranda covering customers' service requests, used as basis for service orders or other service authorizations 1 year after significant data have been transcribed to service orders or other records.

(e) Contracts, applications, correspondence and memoranda covering customers' service requests that have been canceled, withdrawn, or abandoned 1 year after application has been withdrawn.

(f) Contracts or agreements covering customer's deposits 1 year after deposit is refunded, applied to customer's account or otherwise disposed of.

(g) Contracts or agreements with customers or others for extension of lines or other construction of plant involving refundable deposits, guarantees of revenue, contributions, cost reimbursements, or special termination charges:

(1) Refundable deposits or guarantees of revenue 1 year after completion or termination of contract or agreement.

(2) Contributions, cost reimbursements, or special termination charges 6 years after retirement of the property to which they relate.

24. Records of customers and memoranda of contacts:

(a) Records of incompleted or held service applications or service orders 6 years after service is furnished or 4 years after application or order is canceled.

(b) Service records of customers, including application cards, or other records showing name, address, telephone number, and details of service, maintained for general reference in handling contacts with customers (See item 54(a) for customers' service and equipment records used for billing)

(c) Records used for central office information purposes and other records of customers or former customers 1 year after record is superseded.

(d) Correspondence and memoranda relative to changes in telephone numbers 1 year after record is superseded.

(e) Memoranda of contacts relative For period prescribed for the
to collections

(f) Correspondence and memoranda of contacts relative to customers' service requests or inquiries and miscellaneous matters

25. Detailed message records:
   (a) Detailed records of individual toll calls or messages, used as basis for billing to customers
   (b) Detailed records of local message or measured service usage used as basis for billing to customers
   (c) Detailed records used as basis of accounting for receipts from public or semipublic telephones, covering toll calls, local calls or messages
   (d) Unbillable (including unidentifiable) records or other detailed records used in accounting for operating revenues
   (e) Records of uncompleted calls and memoranda or detailed message records used only for operating or administrative purposes, not as a basis for billing or accounting, including such records used in handling calls, service observation, testing, checking, and the transmission of the carrier's own messages (official business)
   (f) Records covering free or concession service
   (g) Automatic message accounting tapes, tabulating cards, and similar records:
      (1) Central office tapes or other automatically produced basic detailed records of message handled
      (2) Accounting office tapes, tabulating cards or similar media used in sorting and assembling data from central office tapes or other basic message records and in computing, printing or otherwise producing printed tickets, statements or other written detailed message records (see items 25(a), (b) record to which it relates (See item 55).

Until significant data have been transcribed to service orders or other records.

18 months.

18 months.

18 months.

1 year.

1 year.

As provided for item 56(c).

3 months after data have been transferred to the accounting office media used in processing data.

3 months after data have been transferred to the accounting office media used as a basis for billing and accounting.
26. Tariffs, rate schedules, and other rate authorities:
(a) Official (or general) file of all tariffs, rate sheets or schedules, or other rate authorities covering services or facilities furnished, together with maps, tables, charts, etc., referred to therein or made a part thereof.
(b) Copies of tariffs, rate sheets or schedules, or other rate authorities maintained at business offices, agencies, etc., for public information or reference.
(c) Other copies of tariffs, rate sheets, maps, etc., used in computing or checking charges shown on service orders or other billing authorizations and tables or other records used in computing or quoting message charges, taxes, fractional monthly service charges, etc.
(d) Requests and receipts for copies of tariffs, rate sheets, etc., inquiries and copies of replies and relative to rates.
(e) Copy of each concurrence in tariffs or other rate authorities filed with regulatory bodies.
(f) Working papers, rate studies, and memoranda in connection with the compilation of tariffs, rate sheets, etc., or rate proposals published or filed with regulatory authorities.
(g) Rate studies, cost memoranda, rate proposals and quotations relating to specially engineered or assembled facilities or services for which the special charges involved are not specifically stated in tariffs or other rate authorities.
(h) Rate studies, correspondence and memoranda related thereto not covered by items 26(f) and (g).
27. Telephone directories:
(a) One file copy of each

and (c)) used for billing and accounting

6 years after expiration or cancellation.

Until superseded or canceled.

Until superseded or cancelled.

Until superseded or canceled.

Until superseded or canceled.

6 years after cancellation or supersedure.

5 years after rate becomes effective or rate proposal is denied.

5 years after charge becomes effective; if superseded or withdrawn, optional.

For period prescribed for the record to which it relates.

3 year after supersedure or
directory issued by the company for use by customers discontinuance.
(b) Authorizations for directory listings or special treatment thereof Until superseded or cancelled.
(c) Agreements with customers or others for leasing of directories 3 months after termination.
(d) Contracts or agreements covering printing of directories, procurement of paper and other materials, sale by others of advertising in directories, delivery of directories, and sale or disposal of obsolete directories 3 years after expiration or cancellation.
(e) Contracts or agreements with customers or other advertisers for sale of advertising in directories 1 year after expiration or cancellation.
(f) Billing authorizations for directory advertising or directories sold 3 years.
(g) Billing and account records of charges for directory advertising 1 year after payment or other disposition of accounts.
(h) Records of prepaid directory expenses and accounting distributions of directory expenses 6 years.
(i) Memoranda of individual directory errors 6 years.
(j) Records of complaints or criticisms from customers or telephone directory advertisers, together with records of investigation and disposition thereof 6 years after settlement or rejection of related claims, or after date of papers if no claim is presented.

(a) Copies of advertisements by all medias used by the company in behalf of itself or affiliate company 6 years.
(b) Other public information material, including press releases, booklets, radio programs, films, etc. 1 year.
(c) Contracts and agreements in connection with advertising and information services 6 years after expiration or cancellation.

29. Miscellaneous operating records:
(a) Traffic peg counts of summaries showing totals by offices,
areas, etc.
(b) Records used for traffic
information, intercepting,
routing, or other handling of
calls
(c) Records of operations other
than communications common
carrier operations

For the same periods as provided
in this section for similar records.

PERSONNEL

30. Personnel records:
(a) Service records of individual
employees consisting of names,
sex, salary and wage rates,
occupational classifications,
and similar data, together
with changes therein
(b) Applications for employment,
requests for medical examination,
medical examiner's report, photo-
graphs and other identification
records, and other miscellaneous
records pertaining to the hiring
of employees

31. Employees' benefit and pension
records:
(a) Detailed records showing
computations of accruals for
pension liabilities
(b) Pension or annuity payrolls
(c) Pension paychecks
(d) Records pertaining to
employees' benefit programs

32. Instructions to employees and
others:
(a) Bulletins or memoranda of gen-
eral instructions issued by the
company to employees pertaining
to changes in accounting,
engineering, operating, maintenance
and construction policies
(b) Bulletins or memoranda of gen-
eral instructions issued by the
company to employees pertaining to
accounting, engineering,
operating, maintenance and
construction methods and
procedures
(c) Notices to employees on matters
of discipline, deportment and other
similar subjects

TELECOMMUNICATIONS PLANT AND DEPRECIATION

33. Plant ledgers:
(a) Ledgers of telecommunications
plant accounts including land and
other detailed ledgers showing the cost of utility plant by account
(b) Books, cards or other records of individual property record units of plant--such as land, buildings, central office, switching equipment, furniture, motor vehicles, etc.--showing description, location, cost and other data (c) Books, cards or other records of quantities of property record superseded, provided units of plant -- such as poles, cable, wire, etc. by plant or accounting area, size, type, cost or other details
34. Construction work in progress ledgers, work orders, and supplemental records:
(a) Construction work in progress ledgers
10 years after clearance to the plant account, provided continuing property records are maintained; otherwise 6 years after plant is retired.
(b) Construction estimates or work orders to which are posted in summary form or in detail the entries for labor, materials and other charges for utility plant additions and the entries closing the work orders to utility plant in service at completion.
(c) Analysis or cost reports showing quantities or materials used, unit costs, number of labor hours, etc., in connection with completed construction projects
10 years after clearance to the plant account provided continuing property records are maintained; otherwise 6 years after plant is retired.
(d) Authorizations for expenditures for additions to plant, including memoranda showing the detailed estimates of cost and the bases therefor (including original and revised or subsequent authorizations)
10 years after clearance to the plant account provided continuing property records are maintained; otherwise 6 years after plant is retired.
(e) Requisitions and registers of authorizations for plant expenditures
10 years.
(f) Completion reports for estimates 10 years.
or other authorizations showing comparisons between the estimated
and actual costs or quantities of plant constructed and explanations of substantial variations and changes in plans

(g) Administrative records and reports pertaining to progress of construction work, the order in which jobs are to be completed, and similar records which do not form a basis of entries to the accounts

7 years.

35. Retirement work in progress ledgers, work orders, and supplemental records:

(a) Retirement work in progress ledgers

6 years after plant is retired.

(b) Retirement work orders to which are posted in summary form or in detail the entries for removal costs, materials recovered and credits to plant accounts for the cost of plant retired

6 years after plant is retired, provided mortality data are retained.

(c) Authorizations for retirement of plant, including estimates of salvage and removal costs

6 years after plant is retired.

(d) Analysis or cost reports showing quantities of materials retired, retirement unit costs, number of labor hours, etc., in connection with completed retirement projects

6 years after plant is retired.

(e) Completion reports for estimates or other authorizations showing comparisons between the estimated and actual costs or quantities of plant retired and explanations of substantial variations and changes in plans

10 years.

(f) Administrative records and reports pertaining to the progress of retirement work, the order in which jobs are to be completed and similar records which do not form the basis of entries to the accounts

7 years.

36. Summary sheets, distribution sheets, reports, statements, and papers directly supporting debits and credits to utility plant accounts not covered by construction or retirement work orders and their supporting records

10 years after clearance to the plant account, provided continuing property records are maintained; otherwise 6 years after plant is retired.
37. Maps, diagrams, plans, specifications and other records showing the location and physical characteristics of plant owned or leased for use by the company until record is superseded or 6 years after plant is retired, provided continuing property records are maintained.

38. Engineering records:
(a) Engineering studies, plans and related records in connection with advance planning of plant construction, maintenance and retirements not related to specific projects or proposed undertakings.
(b) Engineering studies, plans, and work authorizations or orders with related maps, diagrams, specifications, contract proposals and estimates of costs and quantities in connection with proposed construction projects:
   (1) If project results in charges or credits to the plant accounts 10 years after clearance to the plant account, provided continuing property records are maintained; otherwise 6 years after plant is retired.
   (2) If project does not result in charges or credits to the plant accounts 6 years after completion of accounting for project.

39. Authorizations by and applications and reports to governmental authorities in connection with plant extensions, construction programs, purchases, sales or other plant changes, exclusive of permits covered by item 6(c) 10 years or such further period as may be required by the governmental authority involved.

40. Records pertaining to reclassifications of plant accounts to confirm with prescribed systems of accounts or for other purposes, including supporting papers showing the basis for such reclassifications 6 years. See section 651.11.

41. Records of periodic reconciliations of continuing property records and mortality summaries with detailed engineering records, location records or physical inventories, 30 years.
including related summaries
of units shown
on the records or
inventories and supporting
work papers prepared for the
purpose of such
reconciliations

42. Original cost studies in connection with accounting for:
   (a) Purchases from predecessors  50 years.
   (b) Sales                        10 years.

43. Inventories, appraisals and valuations:
   (a) Inventories and appraisals,
or work papers, showing development of purchase or sale price of plant, or used as a basis of accounting therefore:
      (1) Purchases from predecessors  50 years.
      (2) Sales                        10 years.
   (b) Other inventories,
appraisals or valuations of plant, including all underlying records:
      (1) When results have been furnished to regulatory or other governmental authorities, but not used as a basis for adjustments to plant accounts or property records 10 years after completion of any formal proceeding, otherwise 10 years.
      (2) When results have been used as a basis for adjustments to plant accounts or property records, except as provided for in item 43(b)(3) 30 years.
      (3) Annual or other periodic inventories of furniture and other office or work equipment, used as a basis for adjustments to plant accounts Until results of second following inventory have been entered into the accounts.

44. Miscellaneous plant records:
   (a) Reports of transfers of plant items or costs between locations or accounts 6 years.
   (b) Retirement unit costs and work-sheets used in developing such costs Permanently.
   (c) Reports of use of motor vehicles and other work equipment 6 years.
   (d) Reports of floor space occupancy 6 years after supersedure.

45. Records of accumulated provision for depreciation and amortization of utility plant:
   (a) Schedules of authorized 30 years.
depreciation or amortization
rates and summary sheets and other
data included in the official
filing submitted to the Commission
(b) Continuing record of age
Permanently.
distribution of items in service
and mortality data of items retired
(c) Analyses, ledgers or other
records of the accumulated depre-
ciation and amortization accounts,
including segregations according
to classes of plant and
segregations of charges and
credits according
to source or nature of entry
(d) Accumulated depreciation
studies in connection with
accounting for:
(1) Purchases from predecessors 50 years.
(2) Sales 10 years.
(e) Theoretical accumulated
depreciation studies, not
covered by item 45(d), including
any related worksheets or records
(f) Records supporting depreciation
expense claimed in income tax
returns
Such period as may be
prescribed by related
governmental authorities;
otherwise 6 years after
settlement of tax liability.

MATERIALS AND SUPPLIES
46. Inventories and stock records
of materials and supplies:
(a) Ledgers or continuing
inventory records of materials
and supplies received, issued
and on hand
6 years. See section 651.11.
(b) Annual or other periodic
inventories of materials and
supplies used as a basis for
adjustments of accounts, with
record of related adjustment
Until results of second following
inventory have been entered into
accounts.
(c) Stock cards, inventory cards
and other detailed records
pertaining to the taking of
inventories, summarized in
records covered by item 46(b)
Until results of first following
inventory have been entered into
accounts.
(d) Stock cards, ledger sheets or
other records of materials and
supplies in custody of
suppliers or agents
6 years after record is superseded
or custodianship is terminated.
47. Materials and supplies purchased:
(a) Detailed invoices or bills for
6 years. See section 651.11.
materials and supplies
purchased, including freight
and express bills
(b) Records pertaining to the receipt of materials and 1 year.
supplies
(c) Records of inspections and 1 year.
tests of materials and
supplies received
48. Materials and supplies issued and recovered:
(a) Records showing the detailed 6 years. See section 651.11.
distribution of materials and
supplies issued during
accounting periods
(b) Records of material issued, 6 years.
transferred or returned to
stock showing quantities, unit
prices and accounts to be charged
(c) Records of materials and 6 years.
supplies delivered to suppliers or others for
inspection, repair, conversion, storage, or other
disposition, and records of
such materials and supplies
returned therefrom
49. Materials and supplies scrapped or sold:
(a) Detailed records, including 3 years.
authorizations, covering
scrap, surplus or other materials
and supplies sold or returned for
credit
50. Suppliers' price lists or
catalogs, lists of standard items
or specifications of materials
and supplies, and price lists for
repairs:
(a) Pertaining to principal 15 years after superseded or
supplier other than affiliate obsolete.
companies
(b) Affiliated company supplier 25 years after superseded or
obsolete.
(c) Other supplier 6 years after superseded or
obsolete.
6 years. See section 651.11.
51. Summary and distribution
sheets used to summarize or distribute quantities or costs
involved in accounting for purchases, issues or
disbursements, recoveries, returns, repairs, sales,
transfers or other
transactions related to
materials and supplies
52. Lists or other records of unit prices or unit costs for materials and supplies issued or recovered, including studies, memoranda or other records prepared in connection with the development of such unit prices or unit costs
REVENUE ACCOUNTING AND COLLECTING
53. Customers' deposits with telephone carriers:
   (a) Copy of contracts or agreements covering customers' deposits 6 years after refund.
   (b) Memorandum stubs, receipts or other records used to report customers' deposits 6 years after refund.
   (c) Card, book, or other continuing record of customers' deposits and related interest 6 years after refund.
   (d) Receipts (including paid voucher checks and voucher drafts) for deposits refunded and for interest paid 6 years after refund.
54. Customers' billing and other accounts receivable records:
   (a) Record of service and equipment or other continuing record of services or facilities furnished For active accounts, 6 years after record is superseded; for discontinued services, 6 years after service is disconnected.
   (b) Continuing record of telephone local message or measured service usage by individual customers' accounts (See item 25(b) for detailed records) 6 years after record is superseded or retired from active file.
   (c) Continuing settlement records of individual public and semi-public telephone accounts 3 years after record is superseded or retired from active file.
   (d) Billing records which provide information on wire maintenance, wire investment and investment recovery charges 6 years.
   (e) Records of individual accounts with customers and collectors, including ledgers or records used in lieu thereof such as accounting stubs or copies of bills or statements issued 1 year after payment or other disposition of account or accounts covered by each stub or other individual record.
   (f) Records of accounts with miscellaneous debtors other than customers and collectors, including bill ledgers or copies of bills 3 years after payment or other disposition of account.
   (g) Detailed records of adjustments 6 years.
of customers' accounts, including authorizations for refunds, adjustment vouchers, or other authorizations to correct charges due to errors service failures, etc.

(h) Uncollectible vouchers or other authorizations for writing off customers' accounts and other records and reports pertaining thereto

(i) Work papers used in developing estimates of unbilled revenues and accounts receivable

(j) Other detailed records of calls which bear charge information

55. Collection reports and records:

(a) Bill or memorandum stubs representing payments by customers or others, itemized lists, collection notices, coin telephone collection stubs, and other detailed reports or records (including receipts from dining rooms and vending machines):  
(1) Used as a basis for entries to accounting records and summarized or detailed in daily or other periodic cash reports 1 year.  
(2) Used as a basis for administrative records or collection treatment of individual accounts 1 year.

(b) Remittance or transmittal lists or forms (including adding machine tapes) covering records included under item 55(a)(1), used as a basis for entries to accounting records or summaries 3 years.

(c) Records of credit cards and calling cards issued 1 year after expiration or cancellation.

(d) Statements or reports of age or status of uncollected accounts 3 years.

(e) Authorizations for payments of telephone customer's account by customer's bank Until expiration or cancellation.

(f) Correspondence and memoranda relative to collection of revenues or accounts receivable, including requests for explanation of items on bills or status of account and memoranda of investigations thereof, correspondence covering routine For period prescribed for the record to which it relates.
or special collection treatment, forwarding addresses for bills, and similar matters necessary for a proper or complete understanding of another record

(g) Agreements covering payments of uncollected final accounts

Until account is paid or, if uncollectible, 3 years after account is written off.

(h) Subsidiary cash records or cash books covering collection of revenues and accounts receivable from customers and others:

1. Used to summarize reports of cash receipts (See items 55(b) and 58(a) for preparation of journal entries)

6 years.

2. Used as detailed records of collection from customers or others

1 year.

(i) Taxes collected from customers and others:

1. Copies of tax returns and supporting statements filed with taxing authorities

6 years after settlement of tax liability.

2. Special summaries of taxes and related data, used in compiling data for tax returns

6 years after settlement of tax liability.

3. Lists or other separate detailed records of taxes billed to or collected from individual customers or others

Such period as may be prescribed by related governmental requirements.

4. Certificates or other special records of tax exemptions

Such period as may be prescribed by related governmental requirements.

56. Free or partially free service by telephone carriers:

(a) Records of individual authorizations, such as franks, issued for free or partially free service

Until the end of the calendar year following that in which issued.

(b) Franks or other individual authorizations used, collected, or honored for furnishing of free or partially free service:

1. Authorizations of a continuing nature, e.g., related to monthly service rates

3 years after expiration or cancellation.

2. Authorizations covering only specified messages or other specific charges

Until the end of the calendar year following that in which used, collected, or honored.

3. Detailed records covering messages handled free or

18 months.
at reduced rates
(d) Adjustment vouchers used to adjust accounts with individuals in accordance with authorizations covered by items 56(a) and 56(b) 1 year.
(e) Summaries or reports of free or partially free service used for entries to accounts 6 years.

57. Division of revenues or other telephone traffic settlements with communications common carriers:
(a) Separation studies of property, revenues, or expenses, including underlying summaries, reports, or work papers prepared therefor, used for divisions of revenues or other settlements Until completion of second following study.
(b) General instructions or outlines of procedures used in divisions of revenues or other settlements 6 years after cancellation or supercedure.
(c) Division of other settlement statements, including copies of summaries, studies or reports used therefor, covering settlements with other communications common carriers 6 years.
(d) Summaries or memoranda used in computation of settlements, when results are summarized in records covered by item 57(c) 6 months.

58. Revenue accounting controlling records and summaries of telephone carriers:
(a) Controlling records and summaries used in preparing journal entries to revenue, accounts receivable, and other accounts, including revenue, cash, transfer and other controls, proof of billing, and other summaries of data for journal entries 6 years.
(b) Statistical summaries or reports of revenues by accounts or classes of service, geographical subdivisions, etc., used for reports to Federal and State regulatory commissions and other governmental authorities As provided for in item 67.
TAX

59. Tax records:
   (a) Copies of returns and schedules
       filed with taxing authorities,
       supporting work papers, records
       of appeals, tax bills and receipts
       for payment. (See item 15(b) for
       vouchers evidencing disbursements):
       (1) Federal income tax returns
           7 years after settlement.
       (2) State income and property
           tax returns
           2 years after settlement.
       (3) Sales and use taxes
           3 years.
       (4) Other taxes
           2 years after settlement.
       (5) Agreements between affili-
           ated companies as to allocation of
           consolidated income taxes
           7 years after settlement.
       (6) Schedule of allocation of
           consolidating Federal income
           taxes among affiliated companies
           7 years after settlement.
   (b) Summaries of taxes paid
       Destroy at option.
   (c) Filings with taxing author-
       ities to qualify employee
       benefit plans
       7 years after settlement of
       Federal return or discontin-
       uance of plan, whichever is
       later.
   (d) Information returns and
       reports to taxing authorities
       3 years, or for the period
       of any extensions granted for
       audit.

TREASURY

60. Statements of funds and deposits:
   (a) Summaries and periodic
       statements of cash balances
       on hand and with depositories
       Destroy at option.
   (b) Statements of managers' and
       agents' cash balances on hand
       and with depositories
       Destroy at option.
   (c) Authorizations for and state-
       ments of transfer of funds
       from one depository to another
       Destroy at option.
   (d) Requisitions and receipts for
       funds furnished managers,
       agents, and others
       Destroy at option after funds
       have been returned or accounted
       for.
   (e) Records of fidelity bonds of
       employees and others respon-
       sible for funds of the utility
       Destroy at option after liability
       and bonding company coverage
       has expired.
   (f) Reports and estimates of funds
       required for general and
       special purposes
       Destroy at option.

61. Records of deposits with banks
    and others:
    (a) Copies of bank deposit slips
        Destroy at option after
        completion of annual audit
        by independent accountants.
    (b) Advise of deposits made when
        information thereon is shown
        Destroy at option after completion of
on other records which are retained
(c) Statements from depositories showing the details of funds received, disbursed, transferred, and balances on deposit
(d) Bank reconciliation papers

(e) Statements from banks of interest credits

(f) Check stubs, registers, or other records of checks issued
(g) Correspondence and memoranda relating to the stopping of payment of bank checks and to the issuance of duplicate checks.

62. Records of receipts and disbursements:
(a) Daily or other periodic statements of receipts or disbursements of funds
(b) Records of periodic statements of outstanding vouchers, checks, drafts, etc. issued and not presented
(c) Reports of affiliated showing working fund transactions and summaries thereof
(d) Reports of revenue collections by field cashiers, pay stations, etc.

MISCELLANEOUS
63. Statistics and miscellaneous:
(a) Annual financial, operating and statistical reports regularly prepared in the course of businesses for internal administrative or operating purposes (and not used as the basis for entries to accounts of the companies concerned) to show the results of operations and the financial condition of the utility
(b) Quarterly, monthly or other periodic financial, operating and other statistical reports as above
(c) All other statistical reports (not covered elsewhere in these regulations) prepared annual audit by independent accountants.

Destroy at option after completion of annual audit by independent accountants.
Destroy at option after completion of annual audit by independent accountants.

6 years.

6 years or destroy at option after check is recovered.

10 years after date of report.

2 years after date of report.
for internal administrative or
operating purposes only and not
used as the basis for entries
to the accounts of the
company
64. Budgets and other forecasts:
(Prepared for internal administra-
tive or operating purposes) of
estimated future income, receipts
and expenditures in connection
with financing, construction
and operations and acquisitions
or disposals of properties
or investments by the company
and its affiliated companies,
including revisions of such
estimates and memoranda showing
reasons for revisions, also
records showing comparison of
actual income and receipts and
expenditures with estimates
65. Correspondence:
(a) Correspondence and indexes
thereto relating to offices
covered by other items of these
regulations
(b) Stenographers' notebooks
and dicta-phone or other
mechanical device records
(c) Mailing lists of prospects
for appliance sales, securities,
etc.
66. Records of predecessors and
former associates

3 years, except as provided
for elsewhere.
Retain for the period prescribed
for the item to which it relates
where necessary to a proper
explanation of same.
Destroy at option.
Destroy at option.
Retain until the records of
utility plant acquired have been
integrated with the utility's
plant records and the original
cost of the acquired plant is
adequately supported by cost
details and until it is
ascertained that such records are
not necessary to fulfillment
of any unsatisfied regulatory
requirement, such as: (a) approval
and recording of accounting
adjustments resulting from
reclassification and original
cost studies and acceptance of
property acquisition journal
entries, (b) cost, depreciation
and amortization reserve deter-
minations for plant, (c) esta-
blishment of continuing plant
inventory records or accounting
evidence of the cost of long-
67. Reports to federal and state regulatory commissions:
   (a) Annual financial, operating and statistical reports  50 years.
   (b) Monthly and quarterly reports of operating revenues, expenses, and statistics  2 years after date of report.
   (c) Annual joint cost date report, quarterly joint cost and jurisdictional separations data report, report of forecast use of central office equipment and cable/wire facilities, and report of actual use of central office equipment and cable/wire facilities  50 years.
   (d) Special or periodic reports on the following subjects:
       (1) Transactions with affiliated companies  6 years.
       (2) Budgets of expenditures  3 years, except as provided for elsewhere.
       (3) Accidents  6 years.
       (4) Employees and wages  5 years.
       (5) Loans to officers and employees  3 years after fully paid.
       (6) Issues of securities  Data filed with the SEC retain 25 years or all securities covered are retired, whichever is shorter; other reports retain until securities covered are retired.
       (7) Purchases and sales, utility properties  10 years.
       (8) Plant changes--units added and retired  10 years.
       (9) Service interruptions  6 years.

68. Other miscellaneous records:
   (a) Supporting and working papers for reports, exclusive of records provided for elsewhere in this schedule of records  Same period as the reports to which they relate.
   (b) Departmental records and reports prepared for administrative purposes only (including such records of quantities and quality of work performed), not used as a basis for entries to accounts or other records required to be lived property in the absence of such continuing plant inventory records.
reduced for a period specified
in this section
(c) Delegations of authority by officers or other employees,
signature cards, and records
thereof
(d) Receipts and records pertaining to delivery to employees of items to be
returned or accounted for
(e) Work programs, work and progress reports, or other
statements of work planned or performed, prepared
solely for informational or supervisory purposes and
not used as a basis for entries to accounts
or other records required to be retained for a period
specified in this section
(f) Indexes of forms used by company

SO DOC 16C-CVISE
SUBCHAPTER E
Uniform Systems of Accounts

Article 1 Telephone Corporations

Article 2 (Reserved)
Article 3 Classes 1 and 2

SO DOC 16C-CHVISCEAR1

ARTICLE 1
Telephone Corporations

PART 660
GENERAL PROVISIONS
(Statutory authority: Public Service Law, § 95(2))

Sec.
660.0 Background
660.1 Basis of the accounts
660.2 Order authorizing uniform system of accounts
660.3 Abstracts from law

SO DOC 16C-660.0
Section 660.0 Background. The revised uniform system of accounts (USOA) is an historical financial accounting system which reports the results of operational and financial events in a manner which enables both management and regulators to assess these results within a specified accounting period. The USOA also provides the financial community and others with financial performance results. In order for an accounting system to fulfill these purposes, it must exhibit consistency and stability in financial reporting (including the results published for regulatory purposes). Accordingly, the USOA has been designed to reflect stable, recurring financial data based, to the extent regulatory considerations permit, upon the consistency of the well established body of accounting theories and principles commonly referred to as generally accepted accounting principles.

660.1 Basis of the accounts.

(a) The financial accounts of a company are used to record, in monetary terms, the basic transactions which occur. Certain natural groupings of these transactions are called (in different contexts) transaction cycles, business processes, functions or activities. The concept, however, is the same in each case; i.e., the natural groupings represent what happens within the company on a consistent and continuing basis. This repetitive nature of the natural groupings, over long periods of time, lends an element of stability to the financial account structure.

(b) Within the telecommunications industry companies, certain recurring functions (natural groupings) do take place in the course of providing products and services to customers. These accounts reflect, to the extent feasible, those functions. For example, the primary bases of the accounts containing the investment in telecommunications plant are the functions performed by the assets. In addition, because of the anticipated effects of future innovations, the telecommunications plant accounts are intended to permit technological distinctions. Similarly, the primary bases of plant operations, customer operations and corporate operations expense accounts are the functions performed by individuals. The revenue accounts, on the other hand, reflect a market perspective of natural groupings based primarily upon the products and services purchased by customers.

(c) In the course of developing the bases for this account structure, several other alternatives were explored. It was, for example, determined that, because of the variety and continual changing of various cost allocation mechanisms, the financial accounts of a company should not reflect an a priori allocation of revenues, investments or expenses to products or services, jurisdictions or organizational structures. (Note also section 661.4 (c) of this Title.) It was also determined that costs (in the case of assets) should not be recorded based solely upon physical attributes such as location, description or size.

(d) Care has been taken in this account structure to avoid confusing a function with an organizational responsibility, particularly as it relates to the expense accounts. Whereas in the past, specific organizations may have performed specific functions, the future environment with its increasing mechanization and other changes will result in entirely new or restructured organizations. Thus, any relationships drawn between organizations and accounts would become
increasingly meaningless with the passage of time.

(e) These accounts, then, are intended to reflect a functional and technological view of the telecommunications industry. This view will provide a stable and consistent foundation for the recording of financial data.

(f) The financial data contained in the accounts, together with the detailed information contained in the underlying financial and other subsidiary records required by this commission, will provide the information necessary to support separations, cost of service and management reporting requirements. The basic account structure has been designed to remain stable as reporting requirements change.

660.2 Order authorizing uniform system of accounts. (a) The attached uniform system of accounts for telephone corporations is hereby prescribed for every telephone corporation (as that term is defined in the Public Service Law) subject to the jurisdiction of this commission and every such telephone corporation is hereby required to keep its records and accounts in conformity therewith.

(b) Each telephone corporation for which this uniform system of accounts is prescribed shall classify, set forth, and carry all assets, liabilities, capital stock, and retained earnings (or noncorporate proprietorship) existing as of the effective date of this uniform system of accounts, as prescribed in such system of accounts.

(c) In prescribing this system of accounts, the commission does not commit itself to the approval or acceptance of any item set out in any account, for the purpose of fixing rates or in determining other matters before the commission. The prescribed system of accounts is designed to set out the facts in connection with the capitalization, construction, income, expenditures, etc., and therefrom the commission will determine, in connection with such matters as may be under advisement from time to time, just what consideration shall be given to the various items in the several accounts.

(d) The system of accounts prescribed by this Part shall become effective as ordered and shall be put into effect by each telephone company affected thereby on January 1, 1988.

660.3 Abstracts from law.

(a) Authority for uniform system of accounts. This uniform system of accounts for telephone corporations is established and issued by the Public Service Commission under the following provision of the Public Service Law (chapter 48 of the Consolidated Laws):

Section 95, subdivision 2. "The commission may establish a system of accounts to be used by telegraph corporations and telephone corporations, which are subject to its jurisdiction, and are required to make annual reports to it or classify the said corporations, and prescribe a system of accounts for each class and may prescribe the manner in which such accounts shall be kept. It may also, in its discretion prescribe the form of records to be kept by such corporation. Notice of alterations by the commission in the required method or form of keeping accounts shall be given to such corporations by the commission at least six months before the same are to take effect."

(b) Telephone corporation and telephone line defined. (1) The Public Service Law defines telephone corporation and telephone line as follows:

Section 2, subdivision 17. "The term 'telephone corporation', when
used in this chapter, includes every corporation, company, association, joint-stock association, partnership and person, their lessees, trustees or receivers appointed by any court whatsoever, owning, operating or managing any telephone line or part of telephone line used in the conduct of the business of affording telephonic communication for hire; excepting, however, any corporation, company, association, joint-stock association, partnership or person, their lessees, trustees or receivers, who or which do not operate the business of affording telephonic communication for profit."

Section 2, subdivision 18. "The term 'telephone line', when used in this chapter, includes conduits, ducts, poles, wires, cables, cross-arms, receivers, transmitters, instruments, machines, appliances and all devices, real estate, easements, apparatus, property and routes used, operated or owned by any telephone corporation to facilitate the business of affording telephonic communication."

Section 5-b. "Corporations formed to acquire property or to transact business which would be subject to the provisions of this chapter, and corporations possessing franchises for any of the purposes contemplated by this chapter, shall be deemed to be subject to the provisions of this chapter although no property may have been acquired, business transacted or franchises exercised."

(2) Whenever the terms telephone corporation and telephone line are used in this system of accounts they shall be understood to have the inclusive meaning given them by the definitions quoted above. The term telephone company or telecommunication company is used in the same sense as telephone corporation.

(c) Attention is directed to the following extract from the Public Service Law:

Section 25. "Penalties. 1. Every public utility company, corporation or person and the officers, agents and employees thereof shall obey and comply with every provision of this chapter and every order or regulation adopted under authority of this chapter so long as the same shall be in force.

2. Any public utility company, corporation or person and the officers, agents and employees thereof that knowingly fails or neglects to obey or comply with a provision of this chapter or any order adopted under authority of this chapter so long as the same shall be in force, shall forfeit to the people of the state of New York a sum not exceeding ten thousand dollars for each and every offense and in the case of a continuing violation, each day shall be deemed a separate and distinct offense.

3. Notwithstanding the provisions of subdivision two of this section, any such public utility company, corporation or person and the officers, agents and employees thereof that knowingly fails or neglects to obey or comply with a provision of this chapter, or an order or regulation adopted under the authority of this chapter, adopted specifically for the protection of human safety, including but not limited to the commission's code of gas safety regulations shall, if it is determined by the commission that such safety violation caused or constituted a contributing factor in bringing about a death or personal injury, forfeit to the state of New York a sum not to exceed the greater of:

(a) twenty-five thousand dollars for each separate and distinct offense; provided, however, that for purposes of this paragraph each day of a continuing violation shall not be deemed a separate and distinct
offense. The total period of a continuing violation as well as every distinct violation, shall be similarly treated as a separate and distinct offense for purposes of this paragraph; or

(b) the maximum forfeiture determined in accordance with subdivision two of this section.

4. Not Applicable

5. Penalties provided for pursuant to this section shall be recovered in an action as provided in section twenty-four of this article.

6. Any payment made by a public utility company, corporation or person and the officers, agents and employees thereof as a result of an action as provided in section twenty-four of this article and the cost of litigation and investigation related to any such action shall not be included by the commission in revenue requirements used to establish rates and charges.

7. In construing and enforcing the provisions of this chapter relating to forfeitures and penalties, the act of any director, officer, agent or employee of a public utility company, corporation or person acting within the scope of his or her official duties or employment shall be deemed to be the act of such public utility company, corporation or person.”

Classification of companies. (a) All telephone companies will be required to maintain the accounts and comply with the recordkeeping requirements described herein. In accounting for certain transactions herein (see sections 663.2, 663.5, 663.6, 663.8; accounts 2003, 2004, and subaccount 2005.1 of this Title) we have divided companies into two classes as follows:

Class A. Companies having annual revenues from regulated telecommunications operations of $100,000,000 or more.
Class B. Companies having annual revenues from regulated telecommunications operations of less than $100,000,000.

(b) For purposes of recording certain transactions referred to in subdivision (a) of this section, the initial classification of a company shall be determined by its lowest annual operating revenues for the three immediately preceding years. Subsequent changes in classification shall be made when the annual operating revenues show a greater or lesser classification for three consecutive years. Companies becoming subject to the jurisdiction of the commission and not having revenue data for the three immediately preceding years shall estimate the amount of their annual revenues and adopt the scheme of accounts appropriate for the amount of such estimated revenues.

661.2 Records. (a) The company's financial records shall be kept in accordance with generally accepted accounting principles to the extent permitted by this system of accounts.

(b) The company's financial records shall be kept with sufficient particularity to show fully the facts pertaining to all entries in these accounts. The detail records shall be filed in such manner as to be readily accessible for examination by representatives of this commission.

(c) The commission shall require a company to maintain financial and other subsidiary records in such a manner that specific information, of a type not warranting disclosure as an account or subaccount, will be readily available. When this occurs, or where the full information is not otherwise recorded in the general books, the subsidiary records shall be maintained in sufficient detail to facilitate the reporting of the required specific information. The subsidiary records, in which the full details are shown, shall be sufficiently referenced to permit ready identification and examination by representatives of this commission, at a location within the State of New York, unless the company is specifically exempted by order of this commission.

661.3 Accounts--general. (a) As a general rule, all accounts kept by reporting companies shall conform in numbers and titles to those prescribed herein. However, reporting companies may use different numbers for internal purposes when separate accounts (or subaccounts) maintained are consistent with the title and content of accounts and subaccounts prescribed in this system.

(1) Accounts which are clearly summaries of other accounts or subaccounts are to be used for reporting purposes and are not otherwise required to be maintained.

(2) A company may subdivide any of the accounts prescribed. The titles of all such subaccounts shall refer by number or title to the controlling account.

(3) A telephone company may only use its own subaccount structure where this structure can readily be mapped to the subaccount structure prescribed in this system of accounts. Any company that wishes to use its own subaccount structure shall file its proposed structure with the director of the Office of Accounting and Finance, or his designee, no less than 60 days before the intended adoption of such accounting practice. Before such accounting practice may be adopted the director must be satisfied that the proposed subaccount structure can be mapped to the subaccount structure prescribed in this system of accounts.
A company may establish temporary or experimental accounts provided that within 30 days of the opening of such accounts the company notifies the commission of the nature and purpose thereof. 

Exercise of the preceding options shall be allowed only if the integrity of the prescribed accounts is not impaired. 

As of the date a company becomes subject to this system of accounts, it shall prepare opening entries in accordance with the following provisions:

1. The accounts prescribed herein shall be opened by transferring thereto the balances carried in the accounts previously maintained. The company is authorized to make such subdivisions, reclassifications, or consolidations of such balances as are necessary to meet the requirements of this system of accounts.

2. The company shall prepare and keep as supporting records summary statements showing:

   (i) the closing balances in each account carried on the books prior to the adoption of this system of accounts;
   
   (ii) the journal entries to effect the transfer of those balances to the accounts prescribed herein, arranging such entries so as to show for each account or subdivision thereof from what account and to what account each amount was transferred;
   
   (iii) the resultant opening balance of each account under this system of accounts.

The first annual report filed with this commission by a utility covering its operations subsequent to the adoption of this system of accounts shall include copies of the statements referred to in subdivision (c) (2) of this section and shall be accompanied by a statement of the company's independent auditors attesting to the conformity, in all material aspects, of the transfer of the balance sheet account balances and detail telecommunications plant accounts as required by subdivision (c) (2) (ii) of this section with this system of accounts.

Nothing contained in this Part shall prohibit or excuse any company, receiver, or operating trustee of any carrier from subdividing the accounts hereby prescribed for the purpose of:

1. complying with the requirements of the commission(s) having jurisdiction; or

2. securing the information required in the prescribed reports to such commission(s).

Where the use of subsidiary records is considered necessary in order to secure the information required in reports to the commission, the company shall incorporate the following controls into their accounting system with respect to such subsidiary records:

1. Subsidiary records shall be reconciled to the company's general ledger or books of original entry, as appropriate.

2. The company shall adequately document the accounting procedures related to subsidiary records.

The subsidiary records shall be maintained at an adequate level of detail to satisfy State regulators.
requirements contained in this commission's rules, as amended, are applied, except as may be otherwise provided by the commission. Regulated telecommunications products and services are thereby fully subject to the accounting requirements as specified in this commission's rules, as amended, and as detailed in this system of accounts.

(b) In addition to those amounts considered to be regulated by the provisions of subdivision (a) of this section, those telecommunications products and services to which the tariff filing requirements of other jurisdictions are applied shall be accounted for as regulated, except where such treatment is proscribed or otherwise excluded from the requirements pertaining to regulated telecommunications products and services by this commission.

(c) In the application of the detailed accounting requirements contained in this system of accounts when a regulated activity involves the common or joint use of assets and resources in the provision of regulated or nonregulated products and services, companies shall account for these activities within the accounts prescribed in this system for telecommunications company operations. Assets and expenses shall be subdivided in subsidiary records among amounts solely assignable to nonregulated activities, amounts solely assignable to regulated activities, and amounts related to assets used and expenses incurred jointly or in common, which will be allocated between regulated and nonregulated activities. Companies shall submit reports identifying regulated and nonregulated amounts in the manner and at the times prescribed by this commission. Nonregulated revenue items not qualifying for incidental treatment, as provided in section 665.12 of this Title, shall be recorded in account 5280, Nonregulated Operating Revenue.

(d) Other income items which are incidental to the provision of regulated products and services shall be accounted for as regulated activities.

(e) All costs and revenues related to the offering of regulated products and services which result from arrangements for joint participation or apportionment between two or more telecommunications companies (e.g., joint operating agreements, settlement agreements, cost-pooling agreements) shall be recorded within the detailed regulated accounts. Under joint operating agreements, the creditor will initially charge the entire expenses to the appropriate primary accounts. The proportion of such expenses borne by the debtor shall be credited by the creditor and charged by the debtor to the account initially charged. Any allowances for return on property used will be accounted for as provided in account 5240, Rent Revenue.

(f) All items of nonregulated revenue, investment and expense that are not properly includable in the detailed, regulated accounts prescribed in this system of accounts, as determined by subdivisions (a) through (e) of this section, shall be accounted for and included in reports to this commission as specified in section 661.14 of this Part.

661.6 Changes in accounting standards. (a) The company's records and accounts shall be adjusted to apply new accounting standards prescribed by the financial accounting standards board or successor authoritative accounting standard-setting groups, in a manner consistent with generally accepted accounting principles. The change in accounting standard will automatically take effect 150 days after the company informs this commission of its intention to follow the new standard.
unless the commission notifies the company to the contrary. Concurrent
with informing the director of the Office of Accounting and Finance of
its intent to adopt an accounting standards change, the company shall
also file a revenue requirement study for the current year and a
projection for three years into the future analyzing the effects of the
accounting standards change. Furthermore, any change subsequently
adopted shall be disclosed in annual reports to this commission.

661.7 Interpretation of accounts. To the end that uniform accounting
shall be maintained within the prescribed system, questions involving
matters of significance which are not clearly provided for shall be
submitted to the director of the Office of Accounting and Finance, for
explanation, interpretation, or resolution. Questions and answers
thereto with respect to this system of accounts will be maintained by
the Office of Accounting and Finance.

661.8 Preservation of records. (a) Except with the permission of this
commission, the companies shall not destroy any records beyond those
specifically permitted under Part 42, Preservation of Records of
Communication Common Carriers, of the rules of the Federal
Communications Commission governing the preservation of records of
communication common carriers, effective December 31, 1960, and as
thereafter amended.

661.9 Spreading of income, revenue, and expense items. (a) When the
amount of any unusual item includable in an income, operating revenue,
or operating expense account for a single month is relatively so large
that its inclusion in the accounts for that month would seriously
distort those accounts, it may be included in account 1439, Deferred
Charges, or account 4360, Other Deferred Credits, as appropriate, and
distributed in equal amounts to the accounts for the current and
remaining months of the calendar year.

(b) When the amount of any unusual item includable 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 transaction
occurred, would seriously distort those accounts, the company may
request permission to include all or a part of the amount in account
1439, Deferred Charges, or account 4360, Other Deferred Credits to be
amortized over such period and through such accounts as this commission
shall determine. Without permission from this commission, no such item
shall be carried beyond the year in which the transaction occurred.

661.10 Waivers. A waiver from any provision of this system of accounts
shall be made by the commission upon its own initiative or upon the
submission of written request therefor from any telecommunications
company, or group of telecommunications companies, provided that such a
waiver is in the public interest and each request for waiver expressly
demonstrates that: existing peculiarities or unusual circumstances
warrant a departure from a prescribed procedure or technique; a
specifically defined alternative procedure or technique will result in a
substantially equivalent or more accurate portrayal of operating results
or financial condition, consistent with the principles embodied in the
provisions of this system of accounts; and the application of such
alternative procedure will maintain or improve uniformity in substantive
results among telecommunications companies.

661.11 Address for reports and correspondence. Reports, statements, and correspondence submitted to the commission in accordance with or relating to instructions and requirements contained herein shall be addressed to the Office of Secretary, Building 3, Empire State Plaza, Albany, NY 12223.

661.12 Sequence of accounts. The order in which the accounts are presented in this system of accounts is not to be considered as necessarily indicative of the order in which they will be scheduled at all times in reports to this commission.

661.13 Comprehensive interperiod tax allocation. (a) Companies shall apply interperiod tax allocation (tax normalization) to all book/tax timing differences which would be considered material for published financial report purposes. Furthermore, companies shall also apply interperiod tax allocation if any item or group of similar items when aggregated would yield debit or credit entries which exceed or would exceed five percent of the gross deferred income tax expense debits or credits during any calendar year over the life of the timing difference. Book/tax timing differences, other than those resulting from accelerated depreciation or waiver, however, shall be phased in over a period of five years as directed by this commission. The tax effects of all book/tax timing differences shall be normalized and the deferrals shall be included in the following accounts:

- 1360 Current Deferred Income Taxes-Dr
- 1510 Noncurrent Deferred Income Taxes-Dr
- 4100 Current Deferred Operating Income Taxes-Cr
- 4110 Current Deferred Nonoperating Income Taxes-Cr
- 4340 Noncurrent Deferred Operating Income Taxes-Cr
- 4350 Noncurrent Deferred Nonoperating Income Taxes-Cr

In lieu of the accounting prescribed herein, any company shall treat the increase/reduction in current income taxes payable resulting from the use of flow through accounting in prior years and the phase-in years as an increase/reduction in current income tax expense.

(b) Supporting documentation shall be maintained so as to separately identify the amount of deferred taxes which arise from the use of an accelerated method of depreciation.

(c) With respect to the tax differentials that are phased in, companies shall maintain underlying entries to and the balances in the above accounts so as to show that the deferred tax amounts are not greater than the phase-in percentage allowed by this commission.

(d) The records supporting the activity in the deferred income tax accounts shall be maintained in sufficient detail to identify the nature of the specific timing differences giving rise to both the debits and credits to the individual accounts.

(e) Any company that uses accelerated depreciation (or recognizes taxable income or losses upon the retirement of property) for income tax purposes shall normalize the tax differentials occasioned thereby as indicated in paragraphs (1) and (2) of this subdivision.

(1) With respect to the retirement of property the book/tax difference between (i) the recognition of proceeds as income and the accrual for salvage value and (ii) the book and tax capital recovery, shall be
normalized.

(2) Records shall be maintained so as to show the deferred tax amounts by vintage year separately for each class or subclass of eligible depreciable telephone plant for which an accelerated method of depreciation has been used for income tax purposes. When property is transferred to nonregulated activities, the associated deferred income taxes shall also be identified and transferred to the appropriate nonregulated accounts. Accumulated deferred investment tax credits associated with deregulated assets shall be transferred with the related asset, unless otherwise directed by the commission.

(f) The tax differentials to be normalized as indicated herein shall also encompass the additional effect of state and local income tax changes on Federal income taxes produced by the provision for deferred state and local income taxes for book/tax timing differences related to such income taxes.

(g) Companies that receive the tax benefits from the filing of a consolidated income tax return by the parent company, (pursuant to closing agreements with the Internal Revenue Service, effective January 1, 1966) representing the deferred income taxes from the elimination of intercompany profits for income tax purposes on sales of regulated equipment, may credit such deferred taxes directly to the plant account which contains such intercompany profit rather than crediting such deferred taxes to the applicable accounts in subdivision (a) of this section. If the deferred income taxes are recorded as a reduction of the appropriate plant accounts, such reduction shall be treated as reducing the original cost of the plant and accounted for as such.

661.14 Nonregulated activities.

(a) This section describes the accounting treatment of activities classified for accounting purposes as nonregulated. Premptively deregulated activities and activities (other than incidental activities) never subject to regulation will be classified for accounting purposes as nonregulated. Activities that qualify for incidental treatment under the policies of this commission will be classified for accounting purposes as regulated activities. Activities that have been deregulated by this commission will be classified for accounting purposes as nonregulated activities. Activities that have been deregulated at the interstate level, but not preemptively deregulated, will be classified for accounting purposes as regulated activities until such time as this commission decides otherwise. The treatment of nonregulated activities shall differ depending on the extent of the common or joint use of assets and resources in the provision of both regulated and nonregulated products and services.

(b) When a nonregulated activity does not involve the joint or common use of assets and resources in the provision of both regulated and nonregulated products and services, carriers shall account for these activities on a separate set of books consistent with the instructions set forth in accounts 1406, Nonregulated Investments, and 7990, Nonregulated Net Income. Transfers of assets and sales of products and services between the regulated activity and a nonregulated activity for which a separate set of books is maintained, shall be accounted for in accordance with the rules presented in section 661.16, Transactions with Affiliates. In a separate set of books, carriers may establish whatever detail they deem appropriate beyond what is necessary to provide this
commission with the information required in accounts 1406 and 7990.

(c) When a nonregulated activity does involve the common or joint use of assets and resources in the provision of regulated and nonregulated products and services, carriers shall account for these activities within accounts prescribed in this system for telephone company operations. Assets and expenses shall be subdivided in subsidiary records among amounts solely assignable to nonregulated activities, amounts solely assignable to regulated activities, and amounts related to assets and expenses incurred jointly or in common, which will be allocated between regulated and nonregulated activities. Carriers shall submit reports identifying regulated and nonregulated amounts in the manner and at the times prescribed by this commission. Nonregulated revenue items not qualifying for incidental treatment, as provided in section 665.12, shall be recorded in a separate subaccount of account 5280, Nonregulated Operating Revenue.

(d) The following accounts shall be maintained:
Account 1406, Nonregulated Investments
Account 5280, Nonregulated Operating Revenue
Account 7130, Return from Nonregulated Use of Regulated Facilities
Account 7990, Nonregulated Net Income

661.15 Compensated absences. (a) Companies shall record a liability and charge the appropriate expense accounts for compensated absences (vacations, sick leave, etc.) in the year in which these benefits are earned by the employees unless otherwise directed by this commission.

(b) With respect to the liability that exists for compensated absences which is not yet recorded on the books as of the effective date of this system of accounts, the liability shall be recorded in account 4120, Other Accrued Liabilities, with a corresponding entry to account 1439, Deferred Charges. This deferred charge shall be amortized on a straight line basis over a period of 10 years.

(c) Records shall be maintained so as to show that no more than 10 percent of the deferred charge is being amortized each year.

661.16 Transactions with affiliates. (a) Unless otherwise approved by this commission transactions with affiliates involving asset transfers into or out of the regulated accounts shall be recorded by the carrier in its regulated accounts as provided in subdivisions (b) through (f) of this section.

(b) Charges for assets purchased by or transferred to the regulated telephone activity of a carrier from affiliates shall be recorded in the operating accounts of the regulated activity at the lower of their cost to the originating activity of the affiliated group less all applicable valuation reserves or their fair market value. (Asset transfers between regulated affiliates are subject to the original cost requirements prescribed in section 663.2 of this Part.)

(c) Assets sold or transferred from the regulated accounts to affiliates shall be recorded as operating revenues, incidental revenues or asset retirements according to the nature of the transaction involved. If such sales are reflected in tariffs on file with a regulatory commission, the associated revenues shall be recorded at the prices contained therein in the appropriate revenue accounts. If no tariff is applicable, the proceeds from such sales shall be determined at the higher of cost less all applicable valuation reserves, or
estimated fair market value of the asset.

(d) Services provided to an affiliate pursuant to a tariff, including a tariff filed with the Federal Communications Commission, shall be recorded in the appropriate revenue accounts at the tariffed rate. Services provided by an affiliate to the regulated activity shall be recorded at cost which shall be determined in a manner that complies with the standards and procedures for the apportionment of joint and common costs between the regulated and nonregulated operations of the carrier entity.

(e) Income taxes shall be allocated among the regulated activities of the carrier, its nonregulated divisions and members of an affiliated group. Under circumstances in which income taxes are determined on a consolidated basis by the carrier and other members of the affiliated group, the income tax expense to be recorded by the carrier shall be the same as would result if determined for the carrier separately for all time periods, except that the tax effect of carry-back and carry-forward operating losses, investment tax credits, or other tax credits generated by operations of the carrier shall be recorded by the carrier during the period in which applied in settlement of the taxes otherwise attributable to any member or combination of members of the affiliated group.

(f) The principles set forth in this section shall apply equally to corporations, proprietorships, partnerships and other forms of business organizations.

(g) Each company shall keep its accounts and records in such a manner that accurate statements of all transactions with affiliated companies can be expeditiously furnished upon request. These records shall be kept in sufficient detail to show separately for each transaction for each affiliate (1) the amount of the transaction (2) the nature of the transaction and (3) the final revenue, income, expense or capital account of the accounting company. All transactions with affiliates must be recorded in accordance with the instructions in subdivisions (h) and (i) of this section.

(h) All gross charges from any affiliated company shall be credited to a subaccount for that company under the appropriate subdivisions of the following accounts:
   4010.1 Accounts Payable to Affiliated Companies
   4020.1 Notes Payable to Affiliated Companies
   4260 Advances from Affiliated Companies

(i) All gross charges to any affiliated company shall be debited to a subaccount for that company under the appropriate subdivisions of the following accounts:
   1150 Working Cash Advances
   1160 Temporary Investments
   1180 Telecommunications Accounts Receivable
   1190.1 Accounts Receivable from Affiliated Companies
   1200.1 Notes Receivable from Affiliated Companies
   1401.1 Investments in Affiliated Companies
   1401.2 Advances to Affiliated Companies

Unusual items and contingent liabilities. (a) This section applies to extraordinary items, prior period adjustments, and contingent liabilities.

(b) Extraordinary items, prior period adjustments and contingent
liabilities shall be submitted to this commission for review before being recorded in the company's books of account. Corrections of errors in prior periods which are less than $1,000,000 (Class A companies) or one percent of net income for the most current calendar year (Class B companies), may be recorded in operating accounts without prior approval.

(c) The company's filings pursuant to subdivision (b) of this section, shall set forth in detail the accounting entries contemplated together with any supporting data and, the existing special circumstances which warrant approval of the requested accounting treatment and related entries.

661.18 Capital leases. The company may adopt capital lease accounting for transactions if two conditions are met for each financing arrangement:

(a) the company receives approval from the commission to enter a long-term capital lease (see section 101 of the Public Service Law); and
(b) the company demonstrates in its filing that capital lease accounting is not detrimental to ratepayers.

661.19 Materiality. Companies shall follow this system of accounts in recording all financial and statistical data irrespective of an individual item's materiality under Generally Accepted Accounting Principles (GAAP), unless a waiver has been granted under the provisions of section 661.10 of this Part to do otherwise.

661.20 Approval by the commission. Whenever the phrases "with the permission of the commission, with the approval of the commission, approved by the commission, authorized by the commission, or directed by the commission," are used herein, such permission, approval, authorization, or direction must be specific and in writing. The commission may delegate its authority to permit, approve, authorize or direct to a designee.

662.1 Purpose of the balance sheet accounts

662.2 Nonregulated investments

Section 662.1 Purpose of the balance sheet accounts. The balance sheet accounts (1130 to 4550.3, inclusive) are designed to show the assets, liabilities, capital stock, and retained earnings or deficit of the company.

662.2 Nonregulated investments. Nonregulated investments shall include the investment in nonregulated activities that are conducted through the same legal entity as the telephone company operations, but do not involve the joint or common use of assets or resources in the provision of both regulated and nonregulated products. (See sections 661.4, 661.14 and 661.16 of this Title.)
INSTRUCTIONS--TELECOMMUNICATIONS PLANT ACCOUNTS
(Statutory authority: Public Service Law, § 95(2))

Sec.
663.1 Purpose of telecommunications plant accounts
663.2 Telecommunications plant acquired
663.3 Cost of construction
663.4 Retirement units
663.5 Telecommunications plant retired
663.6 Continuing property records required
663.7 Standard practices for establishing and maintaining continuing
property records
663.8 Work order system required
663.9 Items lists

Section 663.1 Purpose of telecommunications plant accounts. (a) The
telecommunications plant accounts (2001 to 2007 inclusive) are designed
to show the investment in the company's tangible and intangible
telecommunications plant which ordinarily has a service life of more
than one year, including such plant whether used by the company or
others in providing telecommunications service.

(b) The telecommunications plant accounts shall not include the cost
or other value of telecommunications plant contributed to the company.
Contributions in the form of money or its equivalent toward the
construction of telecommunications plant shall be credited to the
accounts charged with the cost of such construction. Amounts of
nonrecurring reimbursements based on the cost of plant or equipment
furnished in rendering service to a customer shall be credited to the
accounts charged with the cost of the plant or equipment. Amounts of
initial charges based on the estimated cost of removal of such plant or
equipment shall be credited to account 3100, Accumulated Depreciation.
Amounts received for construction which are ultimately to be repaid
wholly or in part, shall be credited to account 4360, Other Deferred
Credits; when final determination has been made as to the amount to be
returned, any unrefunded amounts shall be credited to the accounts
charged with the cost of such construction. Amounts received for the
construction of plant, the ownership of which rests with or will revert
to others, shall be credited to the accounts charged with the cost of
such construction. (Note also account 7110, Income from Custom Work.)

(c) When telecommunications plant ordinarily having a service life of
more than one year is installed for temporary use in providing
telecommunications service, it shall be accounted for in the same manner
as plant having a service life of more than one year. This includes
temporary installations of plant (such as poles, wire and cable)
installed to maintain service during the progress of highway
reconstruction or during interruptions due to storms or other
casualties, equipment used for the training of operators, equipment used
to provide intercepting positions in central offices to handle traffic
for a short period following extensive system changes and similar
installations of property used to provide telecommunications service.

(d) The cost of individual items of equipment, classifiable to
Accounts 2112, Motor Vehicles; 2113, Aircraft; 2114, Special Purpose
Vehicles; 2115, Garage Work Equipment; 2116, Other Work Equipment; 2122,
Furniture; 2123, Office Equipment; and 2124, General Purpose Computers,
costing $2,000 or less or having a life of less than one year may be
charged to the applicable Plant Specific Operations Expense Accounts, except for personal computers falling within Account 2124. Personal computers classifiable to Account 2124, with a total cost for all components, including initial operating software, of $500 or less shall be charged to the applicable Plant Specific Operations Expense Accounts. If the aggregate investment in the items is relatively large at the time of acquisition, such amounts shall be maintained in an applicable materials and supplies account until the items are used.

(e) The ledgers containing the primary telephone plant accounts and subdivisions thereof shall be kept so as to show on their face (1) additions, (2) retirements, and (3) transfers and adjustments. Corrections of errors, and adjustments to additions or retirements in the current or preceding year, shall be classified as additions or retirements.

663.2 Telecommunications plant acquired.

(a) Property, plant and equipment acquired from an entity, whether or not affiliated with the accounting company, shall be accounted for at original cost.

(b) The accounting for property, plant and equipment to be recorded at original cost shall be as follows:

(1) The amount of money paid (or current money value of any consideration other than money exchanged) for the property (together with preliminary expenses incurred in connection with the acquisition) shall be charged to account 1439, Deferred Charges.

(2) The original cost, estimated if not known, of telecommunications plant, governmental franchises and other similar rights acquired shall be charged to applicable telecommunications plant accounts, Telecommunications Plant Under Construction, and Property Held For Future Telecommunications Use, as appropriate, and credited to account 1439. When the actual original cost cannot be determined and estimates are used, the company shall be prepared to furnish the commission with the particulars of such estimates.

(3) The amounts of the theoretical accumulated depreciation requirements for depreciation and amortization of plant acquired shall be credited to account 3100, Accumulated Depreciation, or account 3200, Accumulated Depreciation--Held for Future Telecommunications Use, 3410, Accumulated Amortization--Capitalized Leases, 3420, Accumulated Amortization--Leasehold Improvements, 3500, Accumulated Amortization--Intangible, and 3600, Accumulated Amortization--Other, and debited to account 1439.

(4) Any amount remaining in account 1439, applicable to the plant acquired, shall, upon completion of the entries provided in paragraphs (1), (2) and (3) of this subdivision, be debited or credited, as applicable, to account 2007, Goodwill, or to subaccount 2005.1, Telecommunications Plant Acquisition Adjustment, as appropriate.

(c) A memorandum record shall be kept showing the amount of contributions in aid of construction applicable to the property acquired as shown by the accounts of the previous owner.

(d) Companies shall submit to the commission for consideration and approval copies of journal entries recording acquisition of telecommunications plant covered by this instruction when the consideration paid is $100,000 or greater (Class A companies) and $25,000 or greater (Class B companies) (See section 661.1 of this
Title). The text of such entries shall give a complete description of
the property acquired and the basis upon which the amounts of the
entries have been determined.

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663.3 Cost of construction.

(a) Telecommunications plant represents an economic resource which
will be used to provide future services, the cost of which will be
allocated in a rational and systematic manner to the future periods in
which it provides benefits. In accounting for construction costs, the
utility shall charge to the telecommunications plant accounts, where
applicable, all direct and indirect costs.

(b) Direct and indirect costs shall include, but not be limited to:

(1) Labor includes the wages and expenses of employees directly
engaged in or in direct charge of construction work. It includes
expenses directly related to an employee's wages, such as workers'
compensation insurance, payroll taxes, benefits and other similar items
of expense.

(2) Engineering includes the portion of the wages and expenses of
engineers, draftsmen, inspectors, and their direct supervision
applicable to construction work. It includes expenses directly related
to an employee's wages, such as workers' compensation insurance, payroll
taxes, benefits and other similar items of expense.

(3) Material and supplies includes the purchase price of material used
at the point of free delivery plus the costs of inspection, loading and
transportation, and an equitable portion of provisioning expense. In
determining the cost of material used, proper allowance shall be made
for unused material, for material recovered from temporary structures
used in performing the work involved, and for discounts allowed and
realized in the purchase of material. This item does not include
construction material that is stolen or rendered unusable due to
vandalism. Such material should be charged to the applicable plant
specific operations expense accounts.

(4) Transportation includes the cost of transporting employees,
material and supplies, tools and other work equipment to and from the
physical construction location. It includes amounts paid therefor to
other companies or individuals and the cost of using the company's own
motor vehicles or other transportation equipment.

(5) Contract work includes amounts paid for work performed under
contract or other agreement by other companies, firms or individuals;
engineering and supervision applicable to such work; cost incident to
the award of contracts; and the inspection of such work. The cost of
construction work performed by affiliated companies and other details
relating thereto shall be available from the work in progress and
supporting records.

(6) Protection includes the cost of protecting the company's property
from fire or other casualties and the cost of preventing damages to
others or the property of others.

(7) Privileges, Permits, and Rights of way includes such costs
incurred in obtaining these privileges, permits, or rights of way in
connection with construction work, such as for use of private property,
streets or highways. The cost of such privileges and permits shall be
included in the cost of the work for which the privileges or permits are
obtained, except for costs includable in account 2111, Land, and account
2690, Intangibles.
(8) Taxes includes taxes properly includable in construction costs before the facilities are completed for service, which taxes are assessed separately from taxes on operating property or under conditions that permit separate identification of the amount chargeable to construction.

(9) Special machine service includes the cost of labor expended, materials and supplies consumed and other expenses incurred in the maintenance, operation and use of special and other labor saving machines (other than transportation equipment) such as trenching equipment, cable plows and pole setting trucks. Also included are expenditures for rental, maintenance and operation of such machines owned by others. When a construction job requires the purchase of special machines, the cost thereof, less the appraised or salvage value at the time of release from the job, shall be included in the cost of construction.

(10) Allowance for funds used during construction includes the cost of debt and equity funds used in the construction of telecommunications property and shall be applied to telecommunications property in accounts 2003 and 2004 unless otherwise directed by the commission. Allowance for funds used during construction shall be charged to the accounts appropriate for the cost of the property acquired or constructed as follows:

   (i) Reasonable amounts of interest during the construction period (before the property is received or is completed ready for telecommunications service) on general funds expended for any acquisition or construction of telecommunications plant shall be computed on amounts in accounts 2003, Telecommunications Plant Under Construction--Short Term and 2004, Telecommunications Plant Under Construction--Long Term and shall be charged thereto. Such amounts shall be credited to account 7340, Allowance For Funds Used During Construction.

   (ii) When funds, derived from the sales of bonds, notes and other interest-bearing debt, are specifically acquired and separately held for use in the construction of telecommunications plant, the total interest, discount or premium, and expense on such debt, less interest earned on such funds, applicable to the accounting period shall be included in the cost of telecommunications plant and credited to account 7340, Allowance For Funds Used During Construction; provided, however, that no interest charge for a period longer than six months prior to the commencement of construction work shall be made unless specifically authorized by the commission.

   (iii) During the period of suspension of a construction project, no allowance for funds used during construction for a period longer than six months from the date of its suspension shall be included in these accounts unless specifically authorized by the commission. No allowance for funds used during construction charge shall be included in these accounts on expenditures for construction projects which have been abandoned.

(11) Insurance includes premiums paid specifically for protection against loss and damage in connection with the construction of telecommunications plant due to fire or other casualty, injury to or death of employees or others, damages to property of others, defalcations of employees and agents and the nonperformance of contractual obligations of others.
Construction services include the cost of telephone, electricity, power, construction quarters, office space and equipment directly related to the construction project.

Indirect construction costs shall include indirect costs such as general engineering, supervision and support. Such costs, in addition to direct supervision, shall include indirect plant operations and engineering supervision up to, but not including, supervision by executive officers whose pay and expenses are chargeable to account 6711, Executive. The records supporting the entries for indirect construction costs shall be kept so as to show the nature of the expenditures, the individual jobs and accounts charged, and the bases of the distribution. The amounts charged to each plant account for indirect costs shall be readily determinable. The instructions contained herein shall not be interpreted as permitting the addition to plant of amounts to cover indirect costs based on arbitrary allocations.

The cost of construction shall not include any amounts classifiable as Corporate Operations Expense.

663.4 Retirement units. The retirement units (note also section 663.5 (b) (1) of this Part) are listed in the retirement unit list appended to this system of accounts. Additions to or revisions of this list will be issued, when necessary, by this commission, to which any applications for such additions or revisions shall be presented by the company. (The retirement unit list is set out at the end of this system of accounts.)

663.5 Telecommunications plant retired.

(a) Telecommunications plant accounts shall at all times disclose the original cost of all property in service. When any item of property subject to plant retirement accounting is worn out, lost, sold, destroyed, abandoned, surrendered upon lapse of title, becomes permanently unserviceable, is withdrawn or for any other reason is retired from service, the plant accounts applicable to that item shall be credited with the original cost of the plant retired whether replaced or not (except as provided for minor items in paragraph (b) (2) of this section). Normally, these retirement credits with respect to such plant as entire buildings, entire central offices, all plant abandoned and any large sections of plant withdrawn from service, shall be entered in the accounts for the month in which use of the property ceased. For any other plant withdrawn from service, the retirement credits shall be entered no later than the next succeeding month. Literal compliance with the provision for timing of entries with respect to property amounting to less than $50,000 for Class A companies or $10,000 for Class B companies retired under any one project is not required if an unreasonable amount of recordkeeping and estimating of quantities, original costs and salvage is necessary. The retirement entry shall refer to the continuing property record, or records supplemental thereto, from which the cost was obtained (note also subdivision (c) of this section). Every company shall establish procedures which will ensure compliance with these requirements.

(b) To avoid undue refinement, depreciable telecommunications plant shall be accounted for as follows:

(1) Retirement units. This group includes major items of property, as shown in the Retirement Units List of this system of accounts. (The Retirement Units List is set out at the end of the system of accounts,
infra.) For items included on the retirement units list, the original cost of any such items retired shall be credited to the plant account and charged to account 3100, Accumulated Depreciation, whether or not replaced. The original cost of retirement units installed in place of property retired shall be charged to the applicable telecommunications plant account.

(2) Minor items. This group includes any part or element of plant which is not designated as a retirement unit. The original cost of a minor item of property when included in the specific or average cost for a retirement unit or units requires no separate credit to the telecommunications plant account when such a minor item is retired. The cost of replacement shall be charged to the account applicable for the cost of repairs of the property. However, if the replacement effects a substantial betterment (the primary aim of which is to make the property affected more useful, of greater durability, of greater capacity or more economical in operation), the excess cost of such a replacement, over the estimated cost at the then current prices of replacement without betterment of the minor items being retired, shall be charged to the applicable telecommunications plant account.

(c) The cost of property to be retired shall be the amount at which property is included in the telecommunications plant accounts. However, when it is impracticable to determine the cost of each item due to the relatively large number or small cost of such items, the average cost of all the items covered by an appropriate subdivision of the account shall be used in determining the cost to be assigned to such items when retired. The method used in determining average cost must give due regard to the quantity, vintage, size and kind of items, the area in which they were installed and their classification in other respects. Average cost may be applied in retirement of such items as poles, wire, cable, cable terminals, conduit and booths. Any company may use average cost of property installed in a year or band of years. It should be understood, however, that the use of average costs shall not relieve the company of the requirement for maintaining its continuing property records to show, where practicable, dates of installation and removal for purposes of mortality studies. (See section 663.7 of this Part, standard practices for establishing and maintaining continuing property records.)

(d) The accounting for the retirement of property, plant and equipment shall be as provided above except:

(1) Amounts included in subaccount 2005.1, Telecommunications Plant Acquisition Adjustment; subaccount 2005.2, Other Plant Adjustment; account 2681, Capital Leases; account 2682, Leasehold Improvements; account 2690, Intangibles; and any amounts associated with amortizable leaseholds, easements, and similar rights in land included in account 2111, Land, shall be debited, as appropriate, to accounts 3410, 3420, 3500, 3600 and credited to the applicable accounts.

(2) Amounts in account 2111, Land, and amounts for works of art recorded in account 2122, Furniture, shall be treated at disposition, with commission approval, as a gain or loss and shall be credited or debited to account 7150, Gains and Losses from Disposition of Land and Artworks, as applicable. The gain or loss shall be the difference between such original cost and the sale price (less commissions and other expenses of making the sale) of the land or artwork. If land or artwork is retained by the company and held for sale, the cost shall be
charged to account 2006, Nonoperating Plant.

(e) When the telecommunications plant is sold together with traffic associated therewith, the original cost of the property shall be credited to the applicable plant accounts and the estimated amounts carried with respect thereto in the accumulated depreciation and amortization accounts shall be charged to such accumulated accounts. The difference, if any, between the net amount of such debit and credit items and the consideration received (less commissions and other expenses of making the sale) for property that was ever included in regulated accounts shall, with commission approval, be included in account 7350, Gains and Losses from Disposition of Certain Property. The accounting for depreciable telecommunications plant sold without the traffic associated therewith shall be in accordance with the accounting provided in paragraph C of account 3100, Accumulated Depreciation.

(f) Attention is directed further to the following abstract from section 99, subdivision 2 of the Public Service Law, which defines the commission's authority to require approval for the assignment or transfer by a telegraph or telephone company of its owned or leased property. Notwithstanding the foregoing, any such transfer or lease with an original cost of:

(1) less than $100,000 proposed by a telephone corporation having annual gross revenues in excess of $200,000,000;

(2) less than $25,000 proposed by a telephone corporation having annual gross revenues of less than $200,000,000; or

(3) less than $10,000 proposed by a telephone corporation having annual gross revenues of less than $10,000,000 shall be effective without the commission's written consent within 90 days after such corporation notifies the commission that it plans to complete such transfer or lease and submits a description of the transfer or lease, provided however, that the commission may determine within such 90 days that the public interest requires its review and written consent.

663.6 Continuing property records required.

(a) The continuing property records are that portion of the total property accounting system which preserves the following detailed information:

(1) the identity, vintage, location and original cost of units of property; and

(2) original and ongoing transactional data (plant account activity) in terms of such units.

(b) The continuing property records must be

(1) subject to internal accounting controls,

(2) auditable,

(3) equal in the aggregate to the total investment reflected in the financial property control accounts as well as the total of the cost allocations supporting the determination of cost-of-service at any particular point in time, and

(4) maintained throughout the life of the property.

(c) Companies shall establish and maintain continuing property records for each class of property recorded in the several plant accounts which comprise the balance sheet account 2001, Telecommunications Plant In Service, account 2002, Property Held for Future Telecommunications Use, and account 2006, Nonoperating Plant.

(d) The company shall prepare and maintain the continuing property
(1) Not later than December 31st of the year following that in which the company becomes subject to this system of accounts, begin the preparation of a continuing property record.

(2) Complete within two years of the prescribed beginning date, continuing property records for all property as of the end of the preceding calendar year.

(3) Promptly process in the continuing property records all property changes affecting periods subsequent to initial establishment of the continuing property record.

(e) The continuing property record components (see subdivision (a), (b) and (c) of this section) shall be arranged in conformity with the regulated plant accounts prescribed in this system of accounts as follows:

(1) The continuing property records shall be compiled on the basis of original cost (or other book cost consistent with this system of accounts). The continuing property records shall be maintained as prescribed in ð 663.7(b) (3) of this Part in such manner as will meet the following basic objectives:

(i) provide for the verification of property record units by physical examination;

(ii) provide for accurate accounting for retirements; and

(iii) provide data for use in connection with depreciation studies.

(f) The following additional continuing property records requirements shall be complied with by Class A companies only:

(1) The Class A continuing property records shall consist of

(i) continuing property records and

(ii) records supplemental thereto which together reveal clearly, by accounting area, the detailed and systematically summarized information necessary to meet fully the requirements of subdivisions (a) and (b) of this section, and paragraph (3) of this subdivision.

(2) The records supplemental to the continuing property records shall disclose such service designations, usage measurement criteria, apportionment factors, or other data as may be prescribed by the Commission in this uniform system of accounts or other provisions of this Title. Such data are subject to the same general controls and standards for auditability and support as are all other elements of the continuing property records.

(3) The continuing property records also shall preserve any other specific financial and cost accounting information not properly warranting separate disclosure as an account or subaccount but which is needed to support regulatory, cost, tax, management and other specific accounting information needs and requirements.

(g) Each Class A company shall notify the Commission of a plan for the continuing property record as follows:

(1) Not later than December 31st of the year following that in which it becomes subject to this system of accounts, the company shall file, in accordance with the requirements of ð 3.5 of this Title, with the Commission a complete plan of the method to be used in the compilation of a continuing property record with respect to each class of property. The plan shall include a list of proposed accounting areas accompanied by description of the boundaries of each area as defined in accordance with the requirements of ð 663.7(a) (1) and (2) of this Part. The plan shall also include a list of property record units proposed for use
under each regulated plant account. These property record units shall be selected such that the requirements of § 663.7(b) (1), (2) and (3) can be satisfied.

(2) The company shall submit to the Commission major proposed changes in its continuing property record plan at least 30 days before the effective date of the proposed changes.

663.7 Standard practices for establishing and maintaining continuing property records.

(a) Accounting area. (1) The continuing property record, as related to each primary plant account, shall be established and maintained by subaccount for each accounting area. An accounting area is the smallest territory of the company for which accounting records of investment are maintained for all plant accounts within the area. Areas already established for administrative, accounting, valuation, or other purposes may be adopted for this purpose when appropriate. In no case shall the boundaries of accounting areas cross either State lines or boundaries prescribed by the commission.

(2) In determining the limit of each area, consideration shall be given to the quantities of property, construction conditions, operating districts, county and township lines, taxing district boundaries, city limits, and other political or geographical limits, in order that the area adopted may have maximum adaptability, within the confines of practicability, for both the company's purpose and those of Federal, State, and municipal authorities.

(b) Property record units. (1) In each of the established accounting areas, the property record units which are to be maintained in the continuing property record shall be set forth separately, classified by size and type with the amount of original cost (or other appropriate book cost) associated with such units. Such units shall apply to only the regulated portion of this system of accounts.

(2) When it is found necessary to revise this list because of the addition of units used in providing new types of service, or new units resulting from improvements in technology, or because of the grouping or elimination of units which no longer merit separate recognition as property record units, one copy of such changes shall be submitted to the commission. Upon appropriate showing by the company, the commission may specifically exempt the company from these filing requirements.

(3) The continuing property record shall reveal the description, location, date of placement, the essential details of construction, and the original cost (note also subdivision (c) of this section) of the property record units. The continuing property record and other underlying records of construction costs shall be so maintained that, upon retirement of one or more retirement units or of minor items without replacement when not included in the costs of retirement units, the actual cost or a reasonably accurate estimate of the cost of the plant retired can be determined.

(c) Methods of determining original cost of property record units. The original cost of the property record units shall be determined by analyses of the construction costs incurred as shown by completion reports and other data, accumulated in the respective construction work orders or authorizations. Costs shall be allocated to and associated with the property record units to facilitate accounting for retirements. The original cost of property record units shall be determined by unit
identification or averaging as described below:

(1) Unit identification. Cost shall be identified and maintained by specific location for property record units contained within certain regulated plant accounts or account groupings such as land, buildings, central office assets, motor vehicles, garage work equipment and furniture. In addition, units involved in any unusual or special type of construction shall be recorded by their specific location costs (note also subparagraph (2) (ii) of this subdivision).

(2) Averaging. (i) Average costs may be developed for plant consisting of a large number of similar units such as terminal equipment, poles, wire, cable, cable terminals, conduit, furniture, and work equipment. Units of similar size and type within each specified accounting area and regulated plant account may be grouped. Each such average cost shall be set forth in the continuing property record of the units with which it is associated.

(ii) The averaging of costs permitted under the provisions of the foregoing paragraph is restricted to plant installed in a particular vintage or band of years, incurred within an accounting area. This paragraph does not permit the inclusion of the cost of units involved in any unusual or special type of construction. The units involved in such unusual or special type of construction shall be recorded at cost by location.

(d) Estimates. In cases where the actual original cost of property cannot be ascertained, such as pricing an inventory for the initial entry of a continuing property record or the pricing of an acquisition for which a continuing property record has not been maintained, the original cost may be estimated. Any estimated original cost shall be consistent with the accounting practices in effect at the time the property was constructed.

(e) Identification of property record units. There shall be shown in the continuing property record or in record supplements thereof, a complete description of the property record units in such detail as to identify such units. The description shall include the identification of the work order under which constructed, the year of installation (unless not determinable per subdivision (d) of this section), the specific location of the property within each accounting area in such manner that it can be readily spot-checked for proof of physical existence, the accounting company's number or designation, and any other description used in connection with the determination of the original cost. Descriptions of units of similar size and type shall follow prescribed groupings.

(f) Reinstalled units. When units to which average costs are not applied, i.e., specific and fixed location units, are removed or retired and subsequently reinstalled, the date when the unit was first charged to the appropriate plant account shall, when required for adequate service life studies and reasonably accurate retirement accounting, be shown in addition to the date of reinstallation.

(g) Age and service life of property. The continuing property record shall disclose the age of existing property and the supporting records shall disclose the service life of property retired.

(h) Reference to sources of information. There shall be shown by appropriate reference the source of all entries. All drawings, computations, and other detailed records which support quantities and costs or estimated costs shall be retained as a part of or in support of
the continuing property record.

(i) Jointly owned property. (1) With respect to jointly owned property, there shall be shown in the continuing property record or records supplemental thereto:
   (i) the identity of all joint owners; and
   (ii) the percentage owned by the accounting company.

(2) When regulated plant is constructed under arrangements for joint ownership, the amount received by the constructing company from the other joint owner or owners shall be credited as a reduction of the gross cost of the plant in place.

(3) When a sale of a part interest in regulated plant is made, the fractional interest sold shall be treated as a retirement and the amount received shall be treated as salvage. The continuing property record or records supplemental thereto shall be so maintained as to identify separately retirements of this nature from physical retirements of jointly owned plant.

(4) If jointly owned regulated property is substantial in relation to the total of the same kind of regulated property owned wholly by the company, such jointly owned regulated property shall be appropriately segregated in the continuing property record.

663.8 Work order system required.

(a) Each company shall record all changes in telecommunications plant by means of a work order system which shall include a work order estimate and a work in progress record, and all installations, additions, retirements and replacements of retirement units (note the Retirement Units List at the end of this system of accounts) shall be covered thereby. Standing work orders (sometimes known as routine estimates) may be used (1) by Class A companies, for plant changes of like character whose estimated gross additions or retirements for an individual project are less than $100,000, and (2) by Class B companies, for plant changes of like character whose estimated gross additions or retirements for an individual project are less than $10,000. These limits may be modified by order of this commission, upon application, when warranted by particular circumstances.

Note: When work is to be done for which a work order estimate is not used and when part or all of the cost will be ultimately billed to others, the records shall be kept so that details of the costs, including an allowance for funds used during construction, can be readily ascertained. (This type of order is commonly known as custom work order or keep cost order and should be identified by a series of distinctive designations.)

(b) The work order estimate shall include the following:

(1) A designation number or letter and the signature of the officer or employee who authorized the work, purchase or sale, and the date of such authorization. If the authorization is by the board of directors or another body or committee, the proper officer shall so state over his signature. In case a new set of numbers is started at the beginning of each calendar or fiscal year, the designation shall identify each estimate so that it will not be confused with other estimates bearing the same number.

(2) A description and the location of the work to be done (or the purchase, or retirement to be made) and the dates between which it is proposed to progress the project, the date when work was begun and the
date when completed. The date when any major portion or complete assembly is placed in or discontinued from service shall be shown consistently either in the work order estimate or in the work in progress record.
(3) Detailed estimates of the cost of the project to be supported by maps, plans, diagrams, specifications, etc., applicable.
(4) The account or accounts to which the cost of the project is to be distributed and retirements credited, and the amount estimated for each such account.
(5) Any variations between estimates and the actual cost of the project.
(6) When a project involves changes in existing telecommunications plant, the work order estimate or the work in progress record shall show the year or period of installation of the property retired or otherwise affected, and shall show or refer to other records which cover the book cost (estimated if not known, with the basis of the estimate stated) 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:
(1) A designation number or letter which shall correspond to the number or letter on the work order estimate covering the same project. When more than one work in progress record covers the expenditures on a work order estimate, each shall be numbered or lettered so as to be readily identifiable with the work order estimate for that project.
(2) The accumulated charges and credits applicable to each project, the total cost of the complete project, the cost of removal and value of salvage recovered shall be shown together with the quantity of material installed or retired and, so far as practicable, the number of retirement units installed or retired. When any project involves amounts distributable to more than one telecommunications plant or other account, the work in progress record shall be kept so as to show the amount applicable to each account. Every charge or credit on a work in progress record shall be readily verifiable from detailed underlying sources. Indirect construction costs (see section 663.3(b) (13) of this Part) shall be separately stated for each account by classes. Credits representing contributions toward construction shall be recorded so as to show name of contributor and a distribution by plant accounts of the amount received. (Note section 663.1(b) of this Part.)
(d) Amounts on open work orders shall support accounts 2003 and 2004, Telecommunications Plant Under Construction--Short Term and Long Term respectively, and account 3100.01, Retirement Work In Progress, (note also account 3100, subdivision C), except that standing work orders (routine estimates) may reflect expenditures on short term construction or retirement projects which are not carried through those accounts. Upon coming into service, completed portions involving additions to plant accounts shall be transferred to appropriate accounts although other portions of the work covered by the same order are not yet completed and the work order has not been closed. Maintenance costs initially charged to a work order shall be cleared monthly. When use of a retirement unit ceases, the book cost thereof, estimated if not known, shall be credited to the proper account even though the plant has not been actually dismantled. (Note also section 663.5 of this Part.)
Note A: Requirement of the use of the work order system here outlined may be suspended by order of this commission when a company satisfies
this commission that the procedure which it follows gives equivalent
detail of changes in telecommunications plant accounts in substantially
the same form and with the promptness which the accounting system
contemplates. The identification of expenditures with property must be
completed and clear and the detail of each project must be readily
available.

Note B: The work order system is required to record changes, both
additions and retirements, in plant used wholly or partly, in
telecommunications operations. Its use is recommended, however, in
recording other expenditures such as repairs and research projects,
plant changes in other departments, and custom, construction or
maintenance work for others.

663.9 Items lists. The items lists are provided for the purpose of
clearly indicating the application of the prescribed accounting in
specific cases. These lists are published separately by the director of
the Office of Accounting and Finance or his designee. Companies shall be
guided by the lists in recording the cost of specific assets in the
telecommunications plant in service detail accounts (accounts 2111
through 2690). These lists do not comprise all of the items to be
recorded in the specific accounts but are considered to be
representative of them. The appearance of an item in a list warrants the
recording of such item in the designated account only when the text of
the account also indicates inclusion in the account, inasmuch as the
same item frequently appears in more than one list.

PART 664
INSTRUCTIONS--DEPRECIATION AND AMORTIZATION ACCOUNTING
(Statutory authority: Public Service Law, § 95(2))

Sec.
664.1 Computation of depreciation rates
664.2 Depreciation charges
664.3 Classes of depreciable telecommunications plant
664.4 Plant retired for nonrecurring factors not recognized in
depreciation rates
664.5 Amortization accounting
664.6 Depreciation and amortization subsidiary records
664.7 Accounting for software
(b) In the event any composite percentage rate becomes no longer applicable, revised composite percentage rates shall be computed and filed with the Commission in accordance with subdivisions (a) and (d) of this section.

(c) The company shall keep such records of property and property retirements as will allow the determination of the service life of property which has been retired, or facilitate the determination of service life indications by mortality, turnover, or other appropriate methods. Such records will also allow the determination of the percentage of salvage value or net salvage value, as appropriate, for property retired from each class of depreciable plant. (See account 2321 regarding amortization of customer premises wiring.)

(d) Not later than six months following the date when a company becomes subject to this system of accounts, it shall have filed with this commission estimates of the composite annual percentage rates considered applicable to the original cost of each class of depreciable telecommunications plant owned or used by the company. (Note section 664.2 of this Part.) The estimates of the composite annual percentage rates so filed shall be accompanied by a statement subscribed to by an officer or other duly authorized representative of the company, showing the basis therefor and the methods employed in their computation.

664.2 Depreciation charges. (a) A separate annual percentage rate for each depreciation category of telecommunications plant shall be used in computing depreciation charges.

(b) Charges for currently accruing depreciation shall be made monthly to the appropriate depreciation accounts, and corresponding credits shall be made to the appropriate depreciation reserve accounts. Current monthly charges shall normally be computed by the application of one-twelfth of the annual depreciation rate to the monthly average balance of the associated category of plant. The average monthly balance shall be computed using the balance as of the first and last days of the current month.

(c) When acquired depreciable plant carried in account 1439, Deferred Charges, is distributed to the appropriate plant accounts, adjusting entries shall be made covering the depreciation charges applicable to such plant for the period during which it was carried in account 1439.

(d) When the company is responsible under the terms of a lease for depreciation of property, used but not owned, the computation of depreciation charges shall be made on the same basis as for owned depreciable property.

664.3 Classes of depreciable telecommunications plant. (a) The classes of depreciable telecommunications plant and the accounts covering such plant are as follows:

Motor Vehicles (account 2112)
Aircraft (account 2113)
Special Purpose Vehicles (account 2114)
Garage Work Equipment (account 2115)
Other Work Equipment (account 2116)
Buildings (account 2121)
Furniture (account 2122)
Office Equipment (account 2123)
SO DOC 16C-664.4 NYCRR
664.4 Plant retired for nonrecurring factors not recognized in depreciation rates.

(a) A retirement will be considered as nonrecurring (extraordinary) only if the following criteria are met:
   (1) The impending retirement was not adequately considered in setting past depreciation rates.
   (2) The charging of the retirement against the reserve will unduly deplete that reserve.
   (3) The retirement is unusual such that similar retirements are not likely to recur in the future.

(b) Upon direction or approval from this commission, the company shall credit account 3100, Accumulated Depreciation, and charge account 1438, Deferred Maintenance and Retirements, with the unprovided-for loss in service value. Such amounts shall be distributed from account 1438 to account 6561, Depreciation Expense--Telecommunications Plant in Service, or account 6562, Depreciation Expense--Property Held for Future Telecommunications Use, over such period as this commission may direct or approve.

SO DOC 16C-664.5 NYCRR
664.5 Amortization accounting. (a) Amortization shall be computed on the straight-line method, i.e., equal annual amounts shall be applied, or other method as directed by the commission. The cost of each type of asset shall be amortized on the basis of the estimated life of that asset and shall not be written off in the accounting period in which the asset is acquired. A reasonable estimate of the useful life may be based on the upper or lower limits even though a fixed existence is not determinable. However, the period of amortization shall not exceed 40 years.

(b) In the event any estimated useful life becomes no longer applicable, a revised estimated useful life shall be determined in accordance with subdivision (a) of this section.

(c) Amortization charges shall be made monthly to the appropriate
amortization expense accounts and corresponding credits shall be made to the appropriate amortization reserve accounts. Monthly charges shall be computed by the application of one-twelfth to the annual amortization amount.

(d) The company shall keep such records as will allow the determination of the useful life of the asset.

664.6 Depreciation and amortization subsidiary records. (a) Subsidiary record categories shall be maintained for each class of depreciable telecommunications plant in account 3100 for which there is a prescribed depreciation rate. (See also section 664.1(c) of this Part.)

(b) Subsidiary records shall be maintained for accounts 3410, 3420, 3500, and 3600 in accordance with section 664.5(d) of this Part.

664.7 Accounting for software. The original cost of initial operating system software for computers shall be classified to the same account as the associated hardware whether acquired separately or in conjunction with the associated hardware. (See also account 8310, Software Expense.)

PART 665
INSTRUCTIONS-REVENUE ACCOUNTS
(Statutory authority: Public Service Law, ò 95(2); Executive Law, ò101-a (2))

665.1 Purpose of the revenue accounts
665.2 Deductions from revenue
665.3 Commissions
665.4 Revenue recognition
665.5 Contractual arrangements
665.6 Subsidiary records
665.7 Structure of the revenue accounts
665.8 Local network services revenues
665.9 Network access revenues
665.10 Long distance network services revenues
665.11 Miscellaneous revenues
665.12 Nonregulated revenues
665.13 Uncollectible revenues

Section 665.1 Purpose of the revenue accounts. The revenue accounts (5000 to 5302, inclusive) are intended to include the actual cash inflows (or equivalents) that have or will occur as a result of the company's ongoing major or central operations during the period. They will include the revenues which arise from furnishing regulated telecommunications services to others, from directory advertising, rentals of telecommunications assets and from providing other services which are directly associated with the provision of regulated telecommunications services. (Note also section 661.9 of this Title.)

665.2 Deductions from revenue. Corrections of overcharges, authorized refunds of overcollections previously credited to revenue, authorized refunds and adjustments on account of failure in service, and other corrections shall be charged to the revenue account previously credited with the amounts involved.
665.3 Commissions. Commissions paid to others or employees in place of compensation or salaries for services rendered, for example, public telephone commissions, shall be charged to the appropriate expense accounts and not to the revenue accounts.

665.4 Revenue recognition.
(a) Credits shall be made to the appropriate revenue accounts when such revenue is actually earned. When the billing cycle encompasses more than one accounting period, adjustments are necessary to properly recognize the revenue applicable to the current accounting period under report. Revenues recorded under the terms of two-tier contracts or other variable payment plans should be deferred, if necessary, and recognized ratably with expenses over the term of the related contract. Any amounts deferred shall be credited to account 4360, Other Deferred Credits.
(b) Known amounts of revenue losses due to fire or theft shall be recognized as an operating expense (Note account 5264, Other Incidental Regulated Revenue and account 6728, Other General and Administrative).
(c) Telecommunications service supplied to municipalities without charge, in accordance with franchise requirements, shall be accounted for as provided in account 2690, Intangibles. (Note also account 6564, Amortization Expense--Intangibles and account 6728, Other General and Administrative.)

665.5 Contractual arrangements. Charges and credits resulting from activities associated with the provision of regulated telecommunications services shall be recorded in a manner consistent with the nature of the underlying contractual arrangements. The charges and credits resulting from expense sharing or apportionment arrangements associated with the provision of regulated telecommunications services shall be recorded in the detailed regulated accounts. Charges and credits resulting from revenue settlement agreements or other revenue pooling arrangements associated with the provision of regulated telecommunications services shall be included in the appropriate revenue accounts. Those charges and credits resulting from contractual revenue pooling and/or sharing agreements shall be recorded in each prescribed revenue account and prescribed subsidiary record categories thereof to the extent that each is separately identifiable in the settlement process. It is not intended that settlement amounts be allocated or generally spread to the individual revenue accounts where they are not separately identifiable in the settlement process. When the settlement amounts are not identifiable by a revenue account they shall be recorded in accounts 5069, Other Local Exchange Revenue Settlements, 5129, Other Long Distance Private Network Revenue Settlements, 5169, Other Long Distance Revenue Settlements, or 5269, Other Revenue Settlements, as appropriate.

665.6 Subsidiary records. (a) Subsidiary record categories shall be maintained in order that the company may separately report revenues derived from charges imposed under intrastate, interstate and international tariff filings. This jurisdictional subsidiary record requirement applies to all accounts except the Network Access Services Group where separate accounts have been established for Federal and State access revenues.
(b) Subsidiary record categories shall be maintained for the following
accounts in order that the company may separately report revenues derived from residential and business customers:

(1) all accounts in the local network services revenue group;
(2) account 5081, End User Revenue;
(3) any end user revenues included in account 5084, State Access Revenues;
(4) account 5100, Long Distance Message Revenue; and
(5) account 5110, Unidirectional Long Distance Revenue.

(c) Unless otherwise authorized by this commission the records supporting the entries to telecommunications operating revenue accounts shall be kept so that revenues for each local service area can be readily identified.

665.7 Structure of the revenue accounts. (a) The revenue section of the system of accounts shall be organized by revenue group summary account, account and subsidiary record category (if required).

(b) The revenue section of this system of accounts shall be comprised of five major groups—local network services revenues, network access services revenues, long distance network services revenues, miscellaneous revenues, and uncollectible revenues, which shall be considered as a revenue group for the purposes of the construction of the system.

(c) Summary accounts within revenue groups shall be used to describe aggregations of two or more accounts having a certain commonality. Summary accounts are assigned numbers so that they may be used to aggregate accounts for reporting purposes.

(d) Accounts shall be maintained as prescribed in this section subject to the conditions described in section 661.3 of this Title. In certain instances, subsidiary record categories may be required below the account level by this system of accounts or by commission order.

665.8 Local network services revenues. Local network services revenues (accounts 5000-5069) shall include revenues derived from the provision of service and equipment entirely within the basic service area. That area is defined as the normal boundaries for local calling plus Extended Area Service (EAS) boundaries as they apply to that service. It includes revenues derived from both local private network service and local public network services as well as from customer premises facilities services. Local revenues include associated charges such as one-time service connection or termination charges and secondary features such as call waiting.

665.9 Network access revenues. (a) Network access revenues (accounts 5080-5084) shall include revenues derived from the provision of exchange access services to an interexchange carrier or to an end user of telecommunications services beyond the exchange carrier's network.

(b) Billing and collections service provided under exchange access tariffs shall be included in the Miscellaneous Revenues Group.

665.10 Long distance network services revenues. Long distance network services revenues shall include revenues derived from the provision of services beyond the basic service area, whether message or flat-rate and including public network switching as well as private.
665.11 Miscellaneous revenues. Miscellaneous revenues are those revenues derived from the provision of regulated products and services provided under tariff or contract but not contained elsewhere. They shall also include operating revenue derived from activities performed incident to the company's tariffed telecommunications operations which, though nontariffed, are included in the regulatory process.

665.12 Nonregulated revenues.

The nonregulated revenue account shall be used for nonregulated operating revenues when a nonregulated activity involves the common or joint use of assets or resources in the provision of regulated and nontariffed products or services and when such activity is accounted for, as required in section 661.14 of this Title, within the accounts prescribed in this system for telephone company operations. Revenues from nontariffed services offered incidental to tariffed services may be accounted for as regulated revenues, provided the activities, subject to commission approval, comply with the following criteria. The activity must have been traditionally treated as regulated for intrastate ratemaking purposes or the activity must be a natural outgrowth of regulated operations. The activity must not constitute a separate line of business. A description of and justifications for each incidental activity must be included in a company's cost manual, or in the commission-approved Cost Allocation Manual for any company required to file a Cost Allocation Manual.

665.13 Uncollectible revenues. Uncollectible revenues shall include amounts originally credited to the revenue accounts which have proved impracticable of collection.

PART 666
INSTRUCTIONS--EXPENSE ACCOUNTS
(Statutory authority: Public Service Law, § 95(2))

Sec.
666.1 Structure of the expense accounts
666.2 Plant specific operations expense
666.3 Plant nonspecific operations expense
666.4 Customer operations expense
666.5 Corporate operations expense
666.6 Expense matrix
666.7 Distribution of pay and expenses of employees
666.8 Reimbursements

Section 666.1 Structure of the expense accounts. (a) The expense section of the system of accounts shall be organized by expense group summary account, account, and subsidiary record category (if required).

(b) The expense section of this system of accounts shall be comprised of four major expense groups--plant specific operations, plant nonspecific operations, customer operations and corporate operations. Expenses to be recorded in plant specific and plant nonspecific operations expense groups generally reflect cost associated with the various kinds of equipment identified in the plant asset accounts. Expenses to be recorded in the customer operations and corporate operations accounts reflect the costs of, or are associated with, functions performed by people, irrespective of the organization in which
any particular function is performed.

(c) Summary accounts within expense groups shall be used to describe aggregations of two or more accounts having a certain commonality. Summary accounts are assigned numbers so that they may be used by telephone companies to aggregate accounts for reporting purposes.

(d) Accounts shall be maintained as prescribed in this uniform system of accounts subject to the conditions described in section 661.3 of this Title. Subsidiary record categories may be required below the account level by this system of accounts or by commission order.

666.2 Plant specific operations expense. (a) The plant specific operations expense accounts, 6110 through 6441, shall be used to record costs related to specific kinds of telecommunications plant.

(b) The plant specific operations expense accounts predominantly mirror the telecommunications plant in service detail accounts and are numbered consistently with them; the first digit of the expense account being six and the remaining digits being the same as the last three numbers of the related plant account. In classifying plant specific operations expenses, the text of the corresponding plant account should be consulted to ensure appropriateness.

(c) The plant specific operations expense accounts shall include the costs of inspecting, testing (except as specified in account 6533, Testing Expense) and reporting on the condition of telecommunications plant to determine the need for repairs, replacements, rearrangements and changes; performing routine work to prevent trouble (except as specified in account 6533), replacing items of plant other than retirement units; rearranging and changing the location of plant not retired; repairing material for reuse; restoring the condition of plant damaged by storms, floods, fire or other casualties (other than the cost of replacing retirement units); inspecting after repairs have been made; and receiving training to perform these kinds of work. Also included are the costs of direct supervision (immediate or first-level) and office support of this work.

(d) In addition to the activities specified in subdivision (c) of this section, the appropriate plant specific operations expense accounts shall include the cost of personnel whose principal job is the operation of plant equipment, such as general purpose computer operators, aircraft pilots, chauffeurs and shuttle bus drivers. However, when the operation of equipment is performed as part of identifiable functions (such as the use of office equipment, capital tools or motor vehicles) the operators' cost shall be charged to accounts appropriate for those functions. (For costs of operator services personnel, see accounts 6621, Call Completion Services, and 6622.1, Number Services--Directory Assistance, and for costs of test board personnel see account 6533.)

666.3 Plant nonspecific operations expense. The plant nonspecific operations expense accounts, 6510 through 6565, shall include expenses related to property held for future telecommunications use, provisioning expenses, network operations expenses, and depreciation and amortization expenses. Accounts in this group (except for accounts 6540, Access Expense, and accounts 6560 through 6565) shall include the costs of performing activities described in narratives for individual accounts. These costs shall also include the costs of supervision and office support of these activities.
666.4 Customer operations expense. The customer operations expense accounts, 6610 through 6623.3, shall include the cost of performing customer related marketing and services activities described in narratives for individual accounts. These costs shall also include the costs of supervision, office support and training for these activities.

666.5 Corporate operations expense. The corporate operations expense accounts, 6710 through 6790, shall include the costs of performing executive and planning activities and general and administrative activities described in narratives for individual accounts. These costs shall also include the costs of supervision, office support and training for these activities.

666.6 Expense matrix.

(a) The expense accounts shall be maintained by the following subsidiary record categories, as appropriate to each account.

(1) Salaries and wages. This subsidiary record category shall include compensation to employees, such as: wages, salaries, commissions, bonuses, incentive awards and termination payments.

(2) Benefits. This subsidiary record category shall include payroll-related benefits on behalf of employees such as the following:
   - Pensions
   - Savings plan contributions (company portion)
   - Workers' compensation required by law
   - Life, hospital, medical, dental, and vision plan insurance
   - Social Security and other payroll taxes

(3) Rents. (i) This subsidiary record category shall include amounts paid for the use of real and personal operating property. Amounts paid for real property shall be included in account 6121, Land and Buildings Expense. This category includes payments for operating leases but does not include payments for capital leases.

   (ii) This subsidiary record category is applicable only to the plant specific operations expense accounts. Incidental rents, e.g., short-term rental car expense, shall be categorized as Other Expenses (see paragraph (4) of this subdivision) under the account which reflects the function for which the incidental rent was incurred.

(4) Other expenses. This subsidiary record category shall include costs which cannot be classified to the other subsidiary record categories. Included are material and supplies, including provisioning (note also account 6512, Provisioning Expense); contracted services; accident and damage payments, insurance premiums; traveling expenses and other miscellaneous costs.

(5) Clearances. This subsidiary record category shall include amounts transferred to construction accounts (see section 663.3(b)(3) of this Title), other plant specific operations expense accounts and/or account 3100, Accumulated Depreciation (cost of removal: see section 664.5(d) of this Title) as appropriate, from accounts 6112, Motor Vehicle Expense, 6113, Aircraft Expense, 6114, Special Purpose Vehicles Expense, 6116, Other Work Equipment Expense, 6534, Plant Operations Administration Expense, and 6535, Engineering Expense. There shall also be transfers to Construction and/or other Plant Specific Operations Expense accounts, as appropriate, from account 6512, Provisioning Expense and account 8310, Software Expense. Cleared amounts shall retain their initial expense
matrix identities in the receiving expense accounts. With respect to these expenses, companies may establish such clearing accounts as they deem necessary to accomplish substantially the same results, provided that within 30 days of the opening of such accounts, companies shall notify the Director of Accounting of the nature and purpose thereof. Additional clearing accounts affecting other expense areas may be established with prior approval of the Director of Accounting.

666.7 Distribution of pay and expenses of employees. Charges to the telecommunications plant, operating expense, and other accounts for services and expenses of employees engaged in activities chargeable to various accounts shall be based upon the actual time engaged in the respective classes of work, except that the pay and expenses of an employee who performs the same class of work from day to day may be distributed upon the basis of a study of the time actually engaged during a representative period.

666.8 Reimbursements. Reimbursements of actual costs incurred in connection with joint operations or projects, repairing plant due to damages by others, and obligations to make changes in telecommunications plant (such as highway relocations), shall be credited to the accounts originally charged.

PART 667
INSTRUCTIONS--INCOME ACCOUNTS
(Statutory authority: Public Service Law, § 95 (2))

Sec.
667.1 Purpose of the income accounts

Section 667.1 Purpose of the income accounts. The income accounts, accounts 5000 through 7991, are designed to report the results of operations of a telecommunications company for each calendar year. Operating revenues shall be reported in accounts 5000 through 5302; operating expenses in accounts 6110 through 6790; other operating income and expense in accounts 7100 through 7160; operating taxes in accounts 7200 through 7250; nonoperating income and expense in accounts 7300 through 7370; nonoperating taxes in accounts 7400 through 7450; interest and related charges in accounts 7500 through 7540.2; extraordinary items in accounts 7600 through 7640 and jurisdictional differences and nonregulated income in accounts 7910, 7990 and 7991. The income accounts shall include all items of profit or loss from operations for the calendar year. The net credit or debit balance from income accounts for the calendar year shall be transferred to accounts 4550.2 Unappropriated Undistributed Affiliate Earnings or 4550.4 Balance Transferred from Income, as appropriate.
<table>
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<th>Account Code</th>
<th>Description</th>
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<td>Receivables and Allowances for Doubtful Accounts</td>
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<td>Accounts Receivable Allowance--Telecommunications</td>
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<td>Accounts Receivable Allowance--Other and Affiliated</td>
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<td>Notes Receivable Allowance--Other and Affiliated</td>
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<td>Interest and Dividends Receivable</td>
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<td>Other Current Assets</td>
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<td>1350</td>
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<td>1360</td>
<td>Current Deferred Income Taxes--Dr</td>
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<td>Other Jurisdictional Assets--Net</td>
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<td>1510</td>
<td>Noncurrent Deferred Income Taxes--Dr</td>
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<td></td>
<td>CURRENT ASSETS</td>
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<tr>
<td>1130</td>
<td>Cash</td>
</tr>
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<td>A. This account shall include the amount of current funds available for use on demand in the hands of financial officers and agents, deposited in banks or other financial institutions and also funds in transit for which agents have received credit.</td>
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<tr>
<td></td>
<td>B. Working cash advances shall be included in account 1150, Working Cash Advances.</td>
</tr>
<tr>
<td>1140</td>
<td>Special Cash Deposits</td>
</tr>
<tr>
<td></td>
<td>A. This account shall include the amount of cash on special deposit, other than in sinking and other special funds provided for elsewhere, to pay dividends, interest, and other debts, when such payments are due one year or less from the date of deposit; the amount of cash deposited to insure the performance of contracts to be performed within one year from date of the deposit; and other cash deposits of a special nature not provided for elsewhere. This account shall include the amount of cash deposited with trustees to be held until mortgaged property sold, destroyed, or otherwise disposed of is replaced, and also cash realized</td>
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from the sale of the company's securities and deposited with trustees to be held until invested in physical property of the company or for disbursement when the purposes for which the securities were sold are accomplished.

B. Cash on deposit in special accounts where the funds are available for the current requirements of the company shall be included in account 1130, Cash.

C. Cash on special deposit to be held for more than one year from the date of deposit shall be included in account 1410, Other Noncurrent Assets.

1150. Working Cash Advances
This account shall include the amount of cash advanced to officers, agents, employees, and others as petty cash or working funds from which expenditures are to be made and accounted for. (See section 661.16(i) of this Title.)

1160. Temporary Investments
A. This account shall include the cost of current securities acquired for the purpose of temporarily investing cash, such as time drafts receivable and time loans, bankers' acceptances, U.S. Treasury certificates, marketable securities, and other similar investments of a temporary character.

B. Accumulated changes in the net unrealized losses of current marketable equity securities shall be included in the determination of net income in the period in which they occur in account 7360, Other Nonoperating Income.

Note: See section 661.16(i) of this Title.

1180. Telecommunications Accounts Receivable
A. This account shall include all amounts due from customers for services rendered or billed and from agents and collectors authorized to make collections from customers. This account shall also include all amounts due from customers or agents for products sold. This account shall be kept in such manner as will enable the company to make the following analysis:

(1) Amounts due from customers who are receiving telecommunications service.

(2) Amounts due from customers who are not receiving service and whose accounts are in process of collection.

B. Collections in excess of amounts charged to this account may be credited to and carried in this account until applied against charges for services rendered or until refunded.

C. Subaccounts shall be maintained in accordance with the instructions in section 661.16(i) of this Title.

1181. Accounts Receivable Allowance--Telecommunications
A. This account shall be credited with amounts charged to account 5301, Uncollectible Revenue--Telecommunications to provide for uncollectible amounts included in account 1180, Telecommunications Accounts Receivable. There shall also be credited to this account amounts collected which previously had been written off through charges to this account and credits to account 1180. There shall be charged to this account any amounts covered thereby which have been found to be impracticable of collection.

B. If no such allowance is maintained, uncollectible amounts shall be charged directly to account 5301, Uncollectible Revenue Telecommunications.
1190.1. Accounts Receivable from Affiliated Companies
A. This account shall include all amounts currently due from affiliated companies and not provided for in other accounts, such as those for traffic settlements, divisions of revenue, material and supplies, matured rents, and interest receivable under monthly settlements on short-term loans, advances, and open accounts.
B. Amounts included in this account shall not include amounts receivable from sales of telecommunications service provided at tariffed rates. Such amounts shall be included in account 1180, Telecommunications Accounts Receivable.
Note: If any items included in this account are not to be paid currently they shall be transferred to account 1401.2, Advances to Affiliated Companies.

1190.2. Other Accounts Receivable
A. This account shall include all amounts currently due, other than those from affiliated companies, and not provided for in other accounts, such as those for traffic settlements, divisions of revenue, material and supplies, matured rents, and interest receivable under monthly settlements on short-term loans, advances, and open accounts.
B. If any items included in this account are not to be paid currently they shall be transferred to account 1410, Other Noncurrent Assets.

1191. Accounts Receivable Allowance--Other and Affiliated
A. This account shall be credited with amounts charged to account 5302, Uncollectible Revenue--Other to provide for uncollectible amounts included in account 1190.1, Accounts Receivable from Affiliated Companies, or account 1190.2, Other Accounts Receivable. There shall also be credited to this account amounts collected which previously had been written off through charges to this account and credits to account 1190.1 or account 1190.2. There shall be charged to this account any amounts covered thereby which have been found to be impracticable of collection.
B. If no such allowance is maintained, uncollectible amounts shall be charged directly to account 5302, Uncollectible Revenue--Other.

1200.1. Notes Receivable from Affiliated Companies
This account shall include the cost of demand or time notes, bills and drafts receivable, or other similar evidences (except interest coupons) of money receivable from affiliated companies on demand or within a time not exceeding one year from date of issue.

1200.2. Other Notes Receivable
This account shall include the cost of demand or time notes, bills and drafts receivable, or other similar evidences (except interest coupons) of money receivable from nonaffiliated companies or individuals on demand or within a time not exceeding one year from date of issue.

1201. Notes Receivable Allowance--Other and Affiliated
A. This account shall be credited with amounts charged to account 6790, Provision for Uncollectible Notes Receivable to provide for uncollectible amounts included in account 1200.1, Notes Receivable from Affiliated Companies or account 1200.2, Other Notes Receivable. There shall also be credited to this account amounts collected which previously had been written off through charges to this account and credits to account 1200.1 or account 1200.2. There shall be charged to this account any amounts covered thereby which have been found to be impracticable of collection.
B. If no such allowance is maintained, uncollectible amounts shall be
charged directly to account 6790, Provision for Uncollectible Notes Receivable.

C. Subsidiary record categories shall be maintained in order that the entity may separately report the amounts contained herein that relate to affiliates and nonaffiliates.

1210. Interest and Dividends Receivable

A. This account shall include the amount of interest accrued to the date of the balance sheet on bonds, notes, and other commercial paper owned, on loans made, and the amount of dividends receivable on stocks owned.

B. This account shall not include dividends or other returns on securities issued or assumed by the company and held by or for it, whether pledged as collateral, or held in its treasury, in special deposits, or in sinking and other funds.

C. Interest receivable under monthly settlements on short-term loans, advances, and open accounts, shall be included in accounts 1180, Telecommunications Accounts Receivable, 1190.1, Accounts Receivable from Affiliated Companies or account 1190.2, Other Accounts Receivable, as appropriate.

D. Dividends received and receivable from affiliated companies accounted for on the equity method shall be included in account 1401.1, Investments in Affiliated Companies, as a reduction of the carrying value of the investment.

1220. Inventories

A. This account shall include the cost of material and supplies held in stock and inventories of goods held for resale or lease. The investment in inventories shall be maintained in the following subaccounts:

1220.1. Material and supplies
1220.2. Property held for sale or lease

B. This account shall not include material and supplies which are dedicated to the company's nonregulated activities unless that activity involves joint or common use of assets and resources in the provision of regulated and nonregulated products and services.

C. 1220.1 Material and supplies. This subaccount shall include the cost of material and supplies held in stock including plant supplies, motor vehicles supplies, tools, fuel, other supplies and material and articles of the company in process of manufacture for supply stock. (See section 663.3(b)(3) of this Title).

D. Transportation charges and sales and use taxes, so far as practicable, shall be included as a part of the cost of the particular material to which they relate. Transportation charges and sales and use taxes which are not included as part of the cost of particular material shall be equitably apportioned among the detail accounts to which material is charged.

E. So far as practicable, cash and other discount on material shall be deducted in determining the cost of the particular material to which they relate or credited to the account to which the material is charged. When such deduction is not practicable, discounts shall be equitably apportioned among the detail accounts to which material is charged.

F. Material recovered in connection with construction, maintenance or retirement of property shall be charged to this account as follows:

(1) Reusable items that, when installed or in service, were retirement units shall be included in this account at the original cost, estimated
(2) Reusable minor items that, when installed or in service, were not retirement units shall be included in this account at current prices new.

(3) The cost of repairing reusable material shall be charged to the appropriate account in the plant specific operations expense accounts.

(4) Scrap and nonusable material included in this account shall be carried at the estimated amount which will be received therefor. The difference between the amounts realized for scrap and nonusable material sold and the amounts at which it is carried in this account, so far as practicable, shall be adjusted in the accounts credited when the material was taken up in this account.

G. Interest paid on material bills, the payments of which are delayed, shall be charged to account 7540.1, Other Interest Deductions--Affiliated companies, or account 7540.2, Other Interest Deductions, as appropriate.

H. Inventories of material and supplies shall be taken during each calendar year and the adjustments to this account shall be charged or credited to account 6512, Provisioning Expense.

I. 1220.2 Property held for sale or lease. This subaccount shall include the cost of all items purchased for resale or lease. The cost shall include applicable transportation charges, sales and use taxes, and cash and other purchase discounts. Inventory shortages and overages shall be charged and credited, respectively, to account 5280, Nonregulated Operating Revenue.

1290. Prepaid Rents
This account shall include the amounts of rents paid in advance of the period in which they are chargeable to income, except amounts chargeable to telecommunications plant under construction and minor amounts which may be charged directly to the final accounts. As the term expires for which the rents are paid, this account shall be credited monthly and the appropriate account charged. (Note also section 663.3 (b) of this Title.)

1300. Prepaid Taxes
This account shall include the balance of all taxes, other than amounts chargeable to telecommunications plant under construction and minor amounts which may be charged to the final accounts, paid in advance and which are chargeable to income within one year. As the term expires for which the taxes are paid, this account shall be credited monthly and the appropriate account charged. (Note also section 663.3(b)(8) of this Title.)

1310. Prepaid Insurance
This account shall include the amount of insurance premiums paid in advance of the period in which they are chargeable to income, except premiums chargeable to telecommunications plant under construction and minor amounts which may be charged directly to the final accounts. As the term expires for which the premiums are paid, this account shall be credited monthly and the appropriate account charged. (Note also section 663.3(b)(11) of this Title.)

1320. Prepaid Directory Expenses
This account shall include the cost of preparing, printing, binding, and delivering directories and the cost of soliciting advertisements for directories, except minor amounts which may be charged directly to account 6622.2, Number Services--Directory Publishing. Amounts in this
account shall be cleared to account 6622.2 by monthly charges representing that portion of the expenses applicable to each month.

1330. Other Prepayments
This account shall include prepayments, other than those includible in accounts 1290 through 1320, except minor amounts which may be charged directly to the final accounts. As the term expires for which the payments apply, this account shall be credited monthly and the appropriate account charged.

1350. Other Current Assets
This account shall include the amount of all current assets which are not includible in accounts 1130 through 1330, inclusive, such as unmatured rent receivable. (Note also section 662.2 of this Title.)

1360. Current Deferred Income Taxes--Dr
A. This account shall include the balance of related income taxes resulting from a normalized method of accounting which are paid in advance, but which are expected to be charged to income in a future period (within one year).
B. As items which generated the prepaid income tax are reclassified from long-term to current, the appropriate prepaid income tax shall be reclassified from account 1510, Noncurrent Deferred Income Taxes--Dr, to this account.
C. This account shall be debited with the amount being credited to account 7250, Provision for Deferred Operating Income Taxes--Net or account 7450, Provision for Deferred Nonoperating Income Taxes--Net, or account 7640, Provision for Deferred Income Tax Effect of Extraordinary Items--Net in accordance with the account's description and provisions of section 661.13 of this Title.
D. This account shall be credited with the amount being charged to either account 7250, 7450 or 7640 in accordance with the text of those accounts.
E. A separate subaccount shall be provided hereunder for operating and nonoperating deferred taxes and also those related to extraordinary items.
F. The classification of deferred income taxes as current or noncurrent shall follow the classification of the asset or liability that gave rise to the deferred income tax. If there is no related asset or liability, classification shall be based on the expected turnaround of the tax timing differences.

NONCURRENT ASSETS

1401.1. Investments in Affiliated Companies
A. This account shall include the acquisition cost of the company's investment in equity or other securities issued or assumed by affiliated companies, other than securities held in special funds which shall be charged to account 1408, Sinking Funds. The carrying value of the investment (securities) accounted for by the equity method shall be adjusted to recognize the company's share of the earnings or losses and dividends received or receivable of the affiliated company from the date of acquisition. (Note also account 1210, Interest and Dividends Receivable, and account 7310, Dividend Income.)
B. Declines in value of investments accounted for under the cost method shall be charged to account 4540, Other Capital, if temporary and as a current period loss if permanent. Detail records shall be maintained to reflect unrealized losses for each investment.
C. Unless otherwise directed by the commission, the company shall
apply generally accepted accounting principles in choosing the method of accounting for investments in affiliates.

D. Amortization of goodwill which represents the difference between acquisition cost and the book value of an investment that is accounted for by the equity method, shall be amortized by monthly charges, on a straight-line basis, to account 7360, Other Nonoperating Income, over the periods estimated to be benefitted, but not exceeding forty years.

E. A subsidiary record shall be kept identifying separately common stocks, preferred stocks, and long-term debt. Further, the company's records shall identify the securities pledged as collateral for any of the company's long-term debt or short-term loans or to secure performance of contracts.

F. Amounts due from affiliated companies which are subject to current settlement shall be included in account 1180, Telecommunications Accounts Receivable, account 1190.1, Accounts Receivable from Affiliated Companies, or account 1200.1, Notes Receivable from Affiliated Companies, as appropriate.

G. Subsidiary record categories shall be maintained in order that the entity may separately report the amounts contained herein that relate to the equity method and the cost method.

Note: Section 661.16(h).

1401.2. Advances to Affiliated Companies

This account shall include investment advances to affiliated companies represented by book accounts only with respect to which it is carried or intended that they shall be either settled by issuance of capital stock or debt; or shall not be subject to current cost settlement.

Note A: Amounts due from affiliated companies which are subject to current settlement shall be included in accounts 1180, 1190.1 or 1200.1, as appropriate.

Note B: Funds advanced to affiliated companies other than investment advances shall be included in account 1150, Working Cash Advances.

1402. Investments in Nonaffiliated Companies

A. This account shall include the acquisition cost of the company's investment in securities issued or assumed by nonaffiliated companies and individuals, other than securities held in special funds which shall be charged to account 1408, Sinking Funds, and also its investment advances to such parties and special deposits of cash for more than one year from date of deposit.

B. Declines in value of investments shall be charged to account 4540, Other Capital, if temporary and as a current period loss to account 7360, Other Nonoperating Income, if permanent. Detail records shall be maintained to reflect unrealized losses for each investment.

C. This account shall also include advances represented by book accounts only with respect to which it is agreed or intended that they shall be either settled by issuance of capital stock or debt; or shall not be subject to current cost settlement.

D. A subsidiary record shall be kept identifying separately common stocks, preferred stocks, long-term debt, investment advances and special deposits of cash for more than one year from the date of deposit. Further, the company's record shall identify the securities pledged as collateral for any of the company's long-term debt or short-term loans or to secure performance of contracts.

E. Amounts due from nonaffiliated companies which are subject to current settlement shall be included in account 1180, Telecommunications Accounts Receivable, account 1190.1, Accounts Receivable from Affiliated Companies, or account 1200.1, Notes Receivable from Affiliated Companies, as appropriate.
Accounts Receivable, account 1190.2, Other Accounts Receivable, or account 1200.2, Other Notes Receivable, as appropriate.

1406. Nonregulated Investments
A. This account shall include the carrier's investment in nonregulated activities accounted for in a separate set of books as provided in section 661.14 of this Title.
B. The investment in this account shall be maintained by the following subaccounts:
   1406.1 Permanent Investment
   1406.2 Receivable/Payable
   1406.3 Current Net Income or Loss
   1407. Unamortized Debt Issuance Expense
A. This account shall include the total unamortized balance of debt issuance expense for all classes of outstanding long-term debt. Amounts included in this account shall be amortized monthly and charged to account 7530, Amortization of Debt Issuance Expense. Unamortized debt issuance expense related to reacquired debt shall be disposed of as provided in account 4240, Reacquired Debt.
B. Debt Issuance expense includes all expenses in connection with the issuance and sale of evidence of debt, such as fees for drafting mortgages and trust deeds; fees and taxes for issuing or recording evidences of debt; costs of engraving and printing bonds, certificates of indebtedness, and other commercial paper; fees paid trustees; specific costs of obtaining governmental authority; fees for legal services; fees and commissions paid underwriters, brokers, and salesmen; fees and expenses of listing on exchanges, and other like costs.
   C. A subsidiary record shall be kept of each issue outstanding.

1408. Sinking Funds
A. This account shall include the amount of cash and other assets which are held by trustees or by the company's treasurer in a distinct fund, for the purpose of redeeming outstanding obligations.
B. Interest or other income arising from funds carried in this account shall generally be charged to this account.
   C. A subsidiary record shall be kept for each sinking fund which shall designate the obligation in support of which the fund was created.
   D. When long-term debt is reacquired and retired (primarily redemptions for sinking fund purposes), the face amount of the debt shall be charged to account 4210, Funded Debt. The gain or loss shall be recognized at the time of retirement by credits or charges to account 7360, Other Nonoperating Income, except that material gains or losses shall be treated as extraordinary. (See accounts 7610, Extraordinary Income Credits, and 7620, Extraordinary Income Charges.)

1410. Other Noncurrent Assets
This account shall include the amount of all noncurrent assets which are not includable in accounts 1401.1 through 1408.

1438. Deferred Maintenance and Retirements
A. This account shall include such items as the unprovided-for loss in service value of telecommunications plant for extraordinary nonrecurring retirement not considered in depreciation and the cost of extensive replacements of plant normally chargeable to the current period plant specific operations expense accounts (Note also section 663.5. of this Title.)
B. Charges provided for in paragraph A above shall be included in this account only upon direction or approval from this commission. However,
the company's application to this commission for such approval shall give full particulars concerning the property retired, the extensive replacements, the amount chargeable to operating expenses and the period over which in its judgment the amount of such charges should be distributed.

1439. Deferred Charges
A. This account shall include all deferred charges not provided for in accounts 1438, Deferred Maintenance and Retirements, and 1500, Other Jurisdictional Assets -- Net. Such charges include unaudited amounts and other debit balances in suspense that cannot be cleared and disposed of until additional information is received; the amount, pending determination of loss, of funds on deposit with banks which have failed; revenue, expense, and income items held in suspense (Note also section 661.9); amounts paid for options pending final disposition.
B. This account shall include the cost of preliminary surveys, plans, investigation, etc., made for construction projects under contemplation. If the projects are carried out, the preliminary costs shall be included in the cost of the plant constructed. If the projects are abandoned, the preliminary costs shall be charged to account 7370, Special Charges.
C. This account shall include also the cost of evaluations, inventories, and appraisals taken in connection with the acquisition or sale of property. If the property is subsequently acquired, the preliminary costs shall be accounted for as a part of the cost of acquisition, or if it is sold, such costs shall be deducted from the sale price in accounting for the property sold. If purchases or sales are abandoned, the preliminary costs included herein (including options paid, if any) shall be charged to account 7370.

1500. Other Jurisdictional Assets--Net
This account shall include the cumulative impact on assets of jurisdictional ratemaking practices which vary from those of this commission. All entries recorded in this account shall be recorded net of any applicable income tax effects and shall be supported by subsidiary records where necessary as provided for in section 661.3 of this Title.

1510. Noncurrent Deferred Income Taxes--Dr
A. This account shall include the balance of income tax expense resulting from a normalized method of accounting which are paid in advance (more than one year) of the period in which they are chargeable to income.
B. This account shall be debited and the prescribed income account shall be credited to reflect the offset for the tax effect of certain items which have been included in the determination of taxable Income, but which will not be included in the determination of book income until a period in excess of 12 months in the future for regulated, nonregulated operations and extraordinary items transactions which have been included in the determination of taxable income (more than one year).
C. As items which generated the prepaid income tax are reclassified from long-term to current, the appropriate prepaid income tax shall be reclassified from this account to account 1360, Current Deferred Income Taxes -- Dr.
D. A separate subaccount shall be provided hereunder for operating and nonoperating deferred taxes and also those related to extraordinary items.
E. The classification of deferred Income taxes as current or noncurrent shall follow the classification of the asset or liability that gave rise to the deferred income tax. If there is no related asset or liability, classification shall be based on the expected turn around of the tax timing difference.

REGULATED PLANT ACCOUNTS
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2002. Property Held for Future Telecommunications Use
2003. Telecommunications Plant Under Construction--Short Term
2004. Telecommunications Plant Under Construction--Long Term
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TELECOMMUNICATIONS PLANT IN SERVICE (TPIS)
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TPIS -- Cable and Wire Facilities Assets
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TPIS -- Amortizable Assets
2681. Capital Leases
2682. Leasehold improvements
2690. Intangibles

PROPERTY, PLANT, AND EQUIPMENT
2001. Telecommunications Plant in Service
   This account shall include the original cost of the investment included in accounts 2111 through 2690.

2002. Property Held for Future Telecommunications Use
   A. This account shall include the original cost of property owned other than station apparatus, and held for imminent use in telecommunications service under a definite plan for such use.
   B. The property included in this account shall be classified in separate subaccounts, according to the primary accounts for telecommunications plant in service.
   C. Subsidiary records shall be maintained to show the character of the amounts carried in this account.

2003. Telecommunications Plant Under Construction--Short Term
   A. This account shall include the original cost of construction projects designed to be completed in one year or less. (Note also section 663.3 of this Title.)
   B. There may be charged directly to the appropriate plant accounts the cost of any construction project which is estimated to be completed and ready for service within two months from the date on which the project was begun. There may also be charged directly to the plant accounts the cost of any construction project for which the gross additions to plant are estimated to amount to less than $100,000 (Class A) or $10,000 (Class B). (See section 661.1 of this Title.)
   C. When the plant includable in this account is not ready for service at the end of one year, the cost of construction of the plant shall be transferred to account 2004, Telecommunications Plant Under Construction--Long Term, without further direction or approval of this commission. If a construction project has been suspended for six months or more, the cost of the plant includable in this account shall be transferred to account 2004 without further direction or approval of this commission. If a project is abandoned, the cost included in this account shall be charged to account 7370, Special Charges.
   D. When any telecommunications plant, the cost of which has been included in this account, is completed ready for service, the cost thereof shall be credited to this account and charged to the appropriate telecommunications plant or other accounts.
   E. Subsidiary record categories shall be maintained in order that the entity may separately report the amounts contained herein that relate to interest bearing and non-interest bearing construction.
   F. Expenditures on research and development projects for construction facilities are to be included in a separate subaccount. Records shall be maintained to show separately each project with complete detail of the nature and purpose of the project together with related costs.
   Note: The cost of any construction project charged to the plant accounts shall be supported by a routine work order or work order estimate prepared and maintained in accordance with section 663.8. Entries in the plant accounts with respect to such costs shall include the designated number or letter of the work order or work order estimate covering the project to which the costs relate.

2004. Telecommunications Plant Under Construction -- Long Term
   A. This account shall include the original cost of construction projects designed to be completed in more than one year. (Note also section 663.3 of this Title.)
   B. There may be charged directly to the plant accounts the cost of any
construction project for which the gross additions to plant are estimated to amount to less than $100,000 (Class A) or $10,000 (Class B). (See section 661.1 of this Title.)

C. If a project is abandoned, the cost included in this account shall be charged to account 7370, Special Charges.

D. When any telecommunications plant, the cost of which has been included in this account, is completed ready for service, the cost thereof shall be credited to this account and charged to the appropriate telecommunications plant or other accounts.

2005. Telecommunications Plant Adjustment

A. This account shall include amounts for adjustments to telecommunications plant related to plant acquisitions as prescribed in section 663.2. This account shall also include the amount of any adjustments to plant arising from a reconciliation of the company's books with its continuing property records or any other plant adjustments as required by the commission. This account shall be maintained according to the following subaccounts:

2005.1 Telecommunications Plant Acquisition Adjustment
2005.2 Other Plant Adjustment

B. 2005.1. Telecommunications Plant Acquisition Adjustment

(1) This subaccount shall include amounts determined in accordance with section 663.2 representing the difference between (a) the amount of money actually paid (or the money value of any consideration other than money exchanged) for telecommunications plant acquired, plus preliminary expenses incurred in connection with the acquisition; and (b) the original cost of such plant, governmental franchises and similar rights acquired, less the amounts of reserve requirements for depreciation and amortization of the property acquired. If the actual original cost is not known, the entries in this account shall be based upon an estimate of such costs.

(2) The amounts recorded in this subaccount with respect to each property acquisition (except land and artworks) shall be disposed of, written off, or provision shall be made for the amortization thereof, as follows:

(a) Debit amounts may be charged to account 7370, Special Charges, in whole or in part, or amortized over a reasonable period through charges to account 7360, Other Nonoperating Income, without further direction or approval by this commission. When specifically approved by this commission, or when the provisions of subparagraph (c) below apply, debit amounts shall be amortized to account 6565, Amortization Expense--Other. (Note also account 3600 Accumulated Amortization--Other.)

(b) Credit amounts shall be disposed of in such manner as this commission may approve or direct, except for credit amounts referred to in subparagraph (c) below.

(c) Within one year from the date of inclusion in this subaccount of a debit or credit amount with respect to a current acquisition, the company may dispose of the total amount from an acquisition of telephone plant by a lump-sum charge or credit, as appropriate, to account 6565 without further approval of this commission, provided that such amount does not exceed $100,000 (Class A) or $10,000 (Class B) and that the plant was not acquired from an affiliated company. (See section 661.1 of this Title.)

Note: Disposition as herein provided is for accounting purposes only
and shall not be construed as determining or controlling the amount or disposition of the items in a rate or other proceeding, nor shall anything contained in subparagraph (2) of this subaccount be construed as precluding the commission from subsequently requiring disposition of such amounts in a different manner or from altering a previously determined amortization period.

C. 2005.2 Other Plant Adjustment

(1) This subaccount shall include the difference between original cost, estimated if not known, and the book cost of telecommunications plant to the extent that such difference is not related to the acquisition of telecommunications plant, and for which disposition has not previously been made as prescribed in section 663.2 of this Title. This subaccount shall also include any other plant adjustments as directed by the commission.

(2) The amounts included in this subaccount shall be classified to show the nature of each amount and shall be disposed of as the commission may approve or direct.

Note: The provisions of this subaccount shall not be construed as approving or authorizing the recording of appreciation of plant.

2006. Nonoperating Plant

A. This account shall include the company's investment in regulated property which is not includable in the plant accounts as operating telecommunications plant. It shall include the company's investment in telecommunications property held for sale. (Note also account 1406, Nonregulated Investments.)

B. Subsidiary records shall be maintained to show the character of the amounts carried in this account.

Note: The disposition of any gain or loss arising from the sale of assets being carried in account 2006 shall be at the discretion of the commission if such assets had at any time previously been recorded in the regulated plant accounts of the accounting entity.

2007. Goodwill

A. This account shall include any portion of the plant purchase price that cannot be assigned to specifically identifiable property acquired and such amount should be identified as "goodwill". Such amounts included in this account shall be amortized to account 7360, Other Nonoperating Income, on a straight line basis over the remaining life of the acquired plant, not to exceed 40 years.

B. The amounts included in this account shall be maintained to show the nature of each amount.

TELECOMMUNICATIONS PLANT IN SERVICE--DETAIL ACCOUNTS

General Support Assets

2111. Land

A. This account shall include the original cost of all land held in fee and of easements, and similar rights in land having a term of more than one year used for purposes other than the location of outside plant (see accounts 2411 through 2441) or externally mounted central office equipment (see accounts 2211 and 2212). It shall also include special assessments upon land for the construction of public improvements. (See also section 663.5(d)(2) of this Title.)

B. When land, together with buildings thereon, is acquired, the original cost shall be fairly apportioned between the land and the buildings and accounted for accordingly. If the plan of acquisition contemplates the removal of buildings, the total cost of the land and
buildings shall be accounted for as the cost of the land, and the salvage value of the buildings when disposed of shall be deducted from the cost of the land so determined.

C. Annual or more frequent payments for use of land shall be recorded in the rent subsidiary record category for account 6121, Land and Building Expense.

D. When land is acquired for which there is not a definite plan for its use in telecommunications service, its costs shall be included in account 2006, Nonoperating Plant.

E. When land is acquired in excess of that required for telecommunications purposes, the cost of such excess land shall be included in account 2006, Nonoperating Plant.

F. Installments of assessments for public improvement, including interest, if any, which are deferred without option to the company shall be included in this account only as they become due and payable. Interest on assessments which are not paid when due shall be included in account 7540, Other interest Deductions.

G. When land is purchased for immediate use in a construction project, its cost shall be included in account 2003, Telecommunications Plant Under Construction—Short Term, or account 2004, Telecommunications Plant Under Construction—Long Term, as appropriate, until such time as the project involved is completed and ready for service.

H. The original cost of leaseholds, easements, rights of way, and similar rights in land having a term of more than one year and not includable in account 2111 shall be included in the accounts for outside plant or externally mounted central office equipment in connection with which the rights were acquired.

2112. Motor Vehicles
This account shall include the original cost of motor vehicles of the type which are designed and routinely licensed to operate on public streets and highways. (See also section 663.1(d) of this Title.)

2113. Aircraft
This account shall include the original cost of aircraft and any associated equipment and furnishings installed as an integral part of the aircraft. (See also section 663.1(d) of this Title.)

2114. Special Purpose Vehicles
This account shall include the original cost of special purpose vehicles. (See also section 663.1(d) of this Title.)

2115. Garage Work Equipment
This account shall include the original cost of tools and equipment used to maintain items included in accounts 2112 through 2116. (See also section 663.1 (d) of this Title.)

Note: Separate records shall be maintained for the equipment assigned to each location.

2116. Other Work Equipment
This account shall include the original cost of power operated equipment, general purpose tools and other items of work equipment. (See also section 663.1 (d) of this Title.)

2121. Buildings
A. This account shall include the original cost of buildings, and the cost of all permanent fixtures, machinery, appurtenances and appliances installed as a part thereof. It shall include costs incident to the construction or purchase of a building and to securing possession and title.
B. When land, together with the buildings thereon, is acquired, the original cost shall be fairly apportioned between the land and buildings, and the amount applicable to the buildings shall be included in this account. The amount applicable to the land shall be included in account 2111, Land.

C. This account shall not include the cost of any telephone equipment or wiring apparatus for generating or controlling electricity for operating the telephone system.

2122. Furniture

This account shall include the original cost of furniture in offices, storerooms, shops, and all other quarters. This account shall also include the cost of objects which possess aesthetic value, are of original or limited edition, and do not have a determinable useful life. The cost of any furniture attached to and constituting a part of a building shall be charged to account 2121, Buildings. (See also section 663.1 (d).)

2123. Office Equipment

A. This account shall include office equipment and shall be maintained by the following subaccounts:

   2123.1 Office Support Equipment
   2123.2 Company Communications Equipment

B. 2123.1 Office Support Equipment

This subaccount shall include the original cost of office equipment in offices, shops and all other quarters.

C. 2123.2 Company Communications Equipment

This subaccount shall include the original cost of private branch exchange and key system intrasystems, as well as station apparatus including its associated inside wiring, installed for company use.

D. The cost of any equipment attached to and constituting a part of a building shall be charged to account 2121, Buildings.

E. Equipment costing $200 or less shall be charged to the appropriate expense account, including the associated inside wiring.

F. Cost of wires or cables used for equipment in the above subaccounts that were previously recorded with Customer Premises Wiring or Large Private Branch Exchanges/Other Terminal Equipment should be included in this account.

2124. General Purpose Computers

A. This account shall include the original cost of computers and peripheral devices which are designed to perform general administrative information processing activities.

B. Administrative information processing includes but is not limited to activities such as the preparation of financial, statistical, or other business analytical reports; preparation of payroll, customer bills, and cash management reports, and other records and reports not specifically designed for testing, diagnosis, maintenance or control of the telecommunications network facilities.

C. This account shall include the original cost of initial operating system software for computers classifiable to this account whether acquired separately or in conjunction with associated hardware. Software additions or modifications to the initial operating system shall be charged to the appropriate expense account.

D. This account does not include the cost of computers, their associated peripheral devices, and their initial operating system software associated with switching, network signaling, network
operations or other specific telecommunications plant. Such computers, peripherals, and software shall be classified to the appropriate switching, network signaling, network expense, or other plant account.

Central Office Assets

2211. Analog Electronic Switching
A. This account shall include the original cost of stored program control analog circuit-switching and associated equipment. This account shall also include the cost of remote analog electronic circuit switches.
B. Switching plant excludes switchboards which perform an operator assistance function and equipment which is an integral part thereof. It does not exclude equipment used solely for the recording of calling telephone numbers in connection with customer dialed charged traffic, dial tandem switchboards and special service switchboards used in conjunction with private line service; such equipment shall be classified to the particular switch that it serves.

2212. Digital Electronic Switching
A. This account shall include the original cost of stored program control digital switches and their associated equipment. Included in this account are digital switches which utilize either dedicated or nondedicated circuits. This account shall also include the cost of remote digital electronic switches.
B. Switching plant excludes switchboards which perform an operator assistance function and equipment which is an integral part thereof. It does not exclude equipment used solely for the recording of calling telephone numbers in connection with customer dialed charged traffic, dial tandem switchboards and special service switchboards used in conjunction with private line service; such equipment shall be classified to the particular switch that it serves.

2215. Electro-Mechanical Switching
A. This account shall include the original cost of nonelectronic circuit-switching equipment. The investment in electro-mechanical switching equipment shall be maintained in the following subaccounts:
   2215.1 Step-by-Step Switching
   2215.2 Crossbar Switching
   2215.3 Other Electro-Mechanical Switching
B. 2215.1 Step-by-Step Switching
   This subaccount shall include the original cost of step-by-step and associated circuit-switching equipment.
C. 2215.2 Crossbar Switching
   This subaccount shall include the original cost of crossbar and associated circuit-switching equipment. Also included in this account is the cost of electronic translator system equipment used in switching.
D. 2215.3 Other Electro-Mechanical Switching
   This subaccount shall include the original cost of all other types of nonelectronic circuit-switching equipment such as panel systems and their associated circuit-switching equipment.
E. Switching plant excludes switchboards which perform an operator assistance function and equipment which is an integral part thereof. It does not exclude equipment used solely for the recording of calling telephone numbers in connection with customer dialed charged traffic, dial tandem switchboards and special service switchboards used in conjunction with private line service; such equipment shall be classified to the particular switch that it serves.
2220. Operator Systems
   A. This account shall include the original cost of those items of equipment used to assist subscribers in utilizing the network and equipment used in the provision of directory assistance, call intercept, and other operator assisted call completion activities.
   B. This account does not include equipment used solely for the recording of calling telephone numbers in connection with customer dialed charged traffic, dial tandem switchboards and special service switchboards used in conjunction with private line service; such equipment shall be classified to the particular switch that it serves.

2231. Radio Systems
   A. This account shall include the original cost of ownership of radio transmitters and receivers. The investment in radio systems shall be maintained in the following subaccounts:
      2231.1 Satellite and Earth Station Facilities
      2231.2 Other Radio Facilities
   B. 2231.1 Satellite and Earth Station Facilities
      This subaccount shall include the original cost of ownership interest in satellites (including land-side spares), other spare parts, material and supplies. It shall include launch insurance and other satellite launch costs.
      This subaccount shall also include the original cost of earth stations and spare parts, material or supplies therefor.
   C. 2231.2 Other Radio Facilities
      (1) This subaccount shall include the original cost of radio equipment used to provide radio communication channels. Radio equipment is that equipment which is used for the generation, amplification, propagation, reception, modulation, and demodulation of radio waves in free space over which communication channels can be provided. This subaccount shall also include the associated carrier and auxiliary equipment and patch bay equipment which is an integral part of the radio equipment. Such equipment may be located in central office buildings, terminal rooms, or repeater stations or may be mounted on towers, masts or other supports.
      (2) This subaccount shall be maintained in order that the company may separately report the amounts contained herein that relate to cellular radio facilities, noncellular radio facilities, and terrestrial microwave radio facilities.

2232. Circuit Equipment
   A. This account shall include the original cost of equipment which is used to reduce the number of physical pairs otherwise required to serve a given number of subscribers by utilizing carrier systems, concentration stages or combinations of both. It shall include equipment that provides for simultaneous use of a number of interoffice channels on a single transmission path. This account shall also include equipment which is used for the amplification, modulation, regeneration, circuit patching, balancing or control of signals transmitted over interoffice communications transmission channels. This account shall include equipment which utilizes the message path to carry signaling information or which utilizes separate channels between switching offices to transmit signaling information independent of the subscribers' communication paths or transmission channels. This account shall also include the original cost of associated material used in the construction of such plant. Circuit equipment may be located in central offices, in manholes, on poles, in cabinets or huts or at other company
locations.

B. This account excludes carrier and auxiliary equipment and patch bays which are includable in account 2231.2, Other Radio Facilities. This account also excludes such equipment which is an integral component of a major unit which is classifiable to other accounts.

C. Subsidiary record categories shall be maintained in order that the company may separately report the amounts contained herein that relate to digital and analog.

Information Origination/Termination Assets

2311. Station Apparatus

A. This account shall include the original cost of station apparatus, including teletypewriter equipment, telephone and miscellaneous equipment, small private branch exchanges and radio equipment (excluding mobile), installed for customers' use. Items included in this account shall remain herein until finally disposed of or until used in such manner as to warrant inclusion in other accounts.

B. Disposition units are major items of equipment included in this account which designate the units to be accounted for when apparatus is considered to be finally withdrawn from service or transferred to other telecommunications plant accounts. Each company shall prepare a list of station apparatus which shall be used as its list of disposition units for this account, the cost of which when finally disposed of shall be credited to this account and charged to account 3100, Accumulated Depreciation.

C. The cost of cross-connection boxes, distributing frames or other distribution points which are installed to terminate intrabuilding network cable shall be charged to account 2426, Intrabuilding Network Cable.

D. Operator head sets and transmitters in central offices and at private branch exchanges, and test sets such as those used by wire chiefs, outside plant technicians, and others, shall be included in account 2116, Other Work Equipment, account 2220, Operator Systems, or account 2341, Large Private Branch Exchanges, as appropriate.

E. Station apparatus for company official use shall be included in account 2123, Office Equipment.

F. An annual inventory shall be taken of all station apparatus in stock that are included in this account. The number of such station apparatus items as determined by this inventory, together with the number of all other station apparatus items included in this account, shall be compared with the corresponding number of station apparatus items as shown by the respective control records. The original cost of any unreconciled differences thereby disclosed shall be adjusted through account 3100, Accumulated Depreciation. Appropriate verifications shall also be made at suitable intervals and necessary adjustments between this account and account 3100 shall be made for all station apparatus included in this account.

G. Items of station apparatus in stock for which no further use in the ordinary conduct of the business is contemplated, but which as a precautionary measure, are held for possible future contingencies instead of being junked, shall be excluded from this account and included in subaccount 1220.2, Property Held For Sale or Lease.

H. Embedded CPE is that equipment or inventory which was tariffed or otherwise subject to the jurisdictional separations process as of January 1, 1983.
2321. Customer Premises Wiring
   A. This account shall include all amounts transferred from the former
      account 232, Station Connections, inside wiring subclass.
   B. The investment in Customer Premises Wiring is to be amortized to
      account 6561, Depreciation, with a corresponding credit to account 3100,
      Depreciation Reserve, over a 10-year period commencing no later than
      July 1, 1982. In calculating this amortization, the company shall first
      determine the net book cost of Customer Premises Wiring by subtracting
      the depreciation reserve attributable to Customer Premises Wiring from
      the book cost of Customer Premises Wiring. This net book cost shall be
      divided by the number of months remaining in the 10-year amortization
      period to determine the appropriate amortization for that month. For
      example, the amortization amount for the first month would be determined
      by dividing the net book cost by 120. The second month, by 119, the
      third month by 118, etc. The embedded investment on the books up to July
      1, 1982 will be fully recovered by July 1, 1992.
   C. When Customer Premises Wiring is physically removed, sold,
      destroyed, or abandoned, the original cost (actual or estimated average
      unit cost) carried in this account shall be credited, hereto and charged
      to account 3100, Depreciation Reserve: or if a separate depreciation
      reserve account or accounts are established for customer premises
      wiring, the debit entry shall be made to the appropriate depreciation
      reserve account.
   D. Embedded Customer Premises Wiring is that investment in customer
      premises wiring equipment or inventory which was capitalized prior to
      July 1, 1982.

2341. Large Private Branch Exchanges
   A. This account shall include the original cost, including the cost of
      installation, of multiple manual private branch exchanges and of dial
      system private branch exchanges of types designed to accommodate 100 or
      more lines or which can normally be expanded to 100 or more lines,
      installed for customers' use. This account shall also include the
      original cost of other large installations of station equipment (1)
      which do not constitute stations, (2) which require special or
      individualized treatment because of their complexity, special design, or
      other distinctive characteristics, and (3) for which individual or other
      specialized cost records are appropriate. (Note also account 2311,
      Station Apparatus.)
   B. The cost of intrabuilding network cables including their associated
      cross-connection boxes, terminals, distributing frames, etc., is
      chargeable to account 2426, intra-building Network Cable.
   C. The cost of outside plant, whether or not on private property, used
      with intra-building network cable shall be charged to the appropriate
      outside plant accounts.
   D. Private branch exchanges for company official use shall be included
      in account 2123, Office Equipment.
   E. Embedded CPE is that equipment or inventory which is tariffed or
      otherwise subject to the jurisdictional separations process as of
      January 1, 1983. Inventories of Large Private Branch Exchanges equipment
      is included in account 1220, Inventories.

2351. Public Telephone Terminal Equipment
   A. This account shall include the original cost of coinless,
      coin-operated (including public and semi-public), credit card and pay
      telephones installed for use by the public. It does not include the
costs of customer-owned, coin-operated telephones.

B. This account shall also include the original cost of operating spares that are required to provide a continuity of service for public telephones. The operating spares shall not exceed six-months' supply in terms of turnover and be available to installers from locations in reasonable proximity to the location of the installed equipment.

C. The original cost of installing public telephone equipment shall not include the labor and minor materials costs of installing the public telephone equipment or premises wiring. These costs as well as the cost of replacing a public telephone shall be charged to account 6351, Public Telephone Terminal Equipment Expense. The labor and minor materials costs of removal of public telephone will also be charged to account 6351.

2362. Other Terminal Equipment
A. This account shall include the original cost of other Non-CPE terminal equipment not specifically provided for elsewhere and items such as specialized communications equipment provided to meet the needs of the disabled, over-voltage protection equipment, multiplexing equipment to deliver multiple channels to customers, etc.

B. Each company shall prepare a list of other terminal equipment which shall be used as its list of disposition units for this account, the cost of which when finally disposed of shall be credited to this account and charged to account 3100, Accumulated Depreciation. The term disposition unit is used to identify major items of equipment; they designate the units to be accounted for when apparatus is considered to be finally withdrawn from service or transferred to other telecommunications plant accounts.

C. This account shall not include company-used apparatus. (See account 2123.2.)

Cable and Wire Facilities Assets

2411. Poles
This account shall include the original cost of poles, crossarms, guys and other material used in the construction of pole lines and shall include the cost of towers when not associated with buildings. This account shall also include the cost of clearing pole line routes and of tree trimming but shall exclude the cost of maintaining previously cleared routes.

2421. Aerial Cable
A. This account shall include the original cost of aerial cable and of drop and block wires served by such cable or aerial wire as well as the cost of other material used in construction of such plant. Subsidiary record categories, as defined below, are to be maintained for nonmetallic aerial cable and metallic aerial cable.

(1) Nonmetallic Cable. This subsidiary record category shall include the original cost of optical fiber cable and other associated material used in constructing a physical path for the transmission of telecommunications signals.

(2) Metallic Cable. This subsidiary record category shall include the original cost of single or paired conductor cable, wire and other associated material used in constructing a physical path for the transmission of telecommunications signals.

B. The cost of permits and privileges for the construction of cable and wire facilities shall be included in the account chargeable with such construction.
Note A: The cost of cable leading from the main distributing frame or equivalent to central office equipment shall be included in the appropriate switching, transmission or other operations asset account.

Note B: Statistical records shall be kept that the utility can determine readily the miles of wire in aerial cable, except that no such reporting is required as regards drop and block wires.

2422. Underground Cable

A. This account shall include the original cost of underground cable installed in conduit and of other material used in the construction of such plant. Subsidiary record categories, as defined below, are to be maintained for nonmetallic underground cable and metallic underground cable.

(1) Nonmetallic Cable. This subsidiary record category shall include the original cost of optical fiber cable and other associated material used in constructing a physical path for the transmission of telecommunications signals.

(2) Metallic Cable. This subsidiary record category shall include the original cost of single or paired conductor cable, wire and other associated material used in constructing a physical path for the transmission of telecommunications signals.

B. The cost of drop and block wires served by underground cable shall be included in account 2423, Buried Cable.

C. The cost of cables leading from the main distributing frame or equivalent to central office equipment shall be included in the appropriate switching, transmission or other operations asset account.

Note: Statistical records shall be kept so that the utility can determine readily the miles of wire in underground cable.

2423. Buried Cable

A. This account shall include the original cost of buried cable as well as the cost of other material used in the construction of such plant. This account shall also include the cost of trenching for and burying cable run in conduit not classifiable to account 2441, Conduit Systems. Subsidiary record categories, as defined below, are to be maintained for nonmetallic buried cable and metallic buried cable.

(1) Nonmetallic Cable. This subsidiary record category shall include the original cost of optical fiber cable and other associated material used in constructing a physical path for the transmission of telecommunications signals.

(2) Metallic Cable. This subsidiary record category shall include the original cost of single or paired conductor cable, wire and other associated material used in constructing a physical path for the transmission of telecommunications signals.

B. The cost of drop and block wires served by either underground or buried cable shall be included in this account.

Note: Statistical records shall be kept so that the utility can determine readily the miles of wire in buried cable.

2424. Submarine Cable

A. This account shall include the original cost of submarine cable and other material used in the construction of such plant. Subsidiary record categories, as defined below, are to be maintained for nonmetallic submarine cable and metallic submarine cable.

(1) Nonmetallic Cable. This subsidiary record category shall include the original cost of optical fiber cable and other associated material used in constructing a physical path for the transmission of
telecommunications signals.

(2) Metallic Cable. This subsidiary record category shall include the original cost of single or paired conductor cable, wire and other associated material used in constructing a physical path for the transmission of telecommunications signals.

B. The cost of permits and privileges for the construction of cable and wire facilities shall be included in the account chargeable with such construction.

Note: Statistical records shall be kept so that the utility can determine readily the miles of wire in submarine cable.

2425. Deep Sea Cable
A. This account includes the original cost of deep sea cable and other material used in the construction of such plant. Subsidiary record categories, as defined below, are to be maintained for nonmetallic deep sea cable and metallic deep sea cable.

(1) Nonmetallic Cable. This subsidiary record category shall include the original cost of optical fiber cable and other associated material used in constructing a physical path for the transmission of telecommunications signals.

(2) Metallic Cable. This subsidiary record category shall include the original cost of single or paired conductor cable, wire and other associated material used in constructing a physical path for the transmission of telecommunications signals.

B. The cost of permits and privileges for the construction of cable and wire facilities shall be included in the account chargeable with such construction.

Note: Statistical records shall be kept so that the utility can determine readily the miles of wire in deep sea cable.

2426. Intrabuilding Network Cable
A. This account shall include the original cost of cables and wires located on the company's side of the demarcation point or standard network interface inside subscribers' buildings or between buildings on one customer's same premises. Intrabuilding network cables are used to distribute network access facilities to equipment rooms, cross-connection or other distribution points at which connection is made with customer premises wiring. Subsidiary record categories, as defined below, are to be maintained for nonmetallic intrabuilding network cable and metallic intrabuilding network cable.

(1) Nonmetallic Cable. This subsidiary record category shall include the original cost of optical fiber cable and other associated material used in constructing a physical path for the transmission of telecommunications signals.

(2) Metallic Cable. This subsidiary record category shall include the original cost of single or paired conductor cable, wire and other associated material used in constructing a physical path for the transmission of telecommunications signals.

B. Intrabuilding network cable does not include the cost of cables or wires which are classifiable as network terminating wire, nor the cables or wires from the demarcation point or standard network interface to subscribers' stations.

Note: Statistical records shall be kept so that the utility can determine readily the miles of wire in intrabuilding network cable.

2431. Aerial Wire
A. This account shall include the original cost of bare line wire and
other material used in the construction of such plant.

B. The cost of permits and privileges for the construction of cable and wire facilities shall be included in the account chargeable with such construction.

C. The cost of drop and block wires served by aerial wire shall be included in account 2421, Aerial Cable.

Note: Statistical records shall be kept so that the utility can determine readily the miles of aerial wire.

2441. Conduit Systems

A. This account shall include the original cost of conduit, whether underground, in tunnels or on bridges, which is reusable in place. It shall also include the cost of opening trenches and of any repaving necessary in the construction of conduit plant. It shall also include the cost of manholes, handholes and service boxes constructed for use with the conduit system.

B. The cost of protective covering for buried cable shall be charged to account 2423, Buried Cable, as appropriate, unless such protective covering is reusable in place. The amounts thus charged shall be included in the nonmetallic buried cable or metallic buried cable subsidiary record category, as appropriate.

C. The cost of pipes or other protective covering for underground drop and block wires shall be included in account 2421, Aerial Cable, or account 2423, Buried Cable, as appropriate. The amounts thus charged shall be included in the nonmetallic or metallic subsidiary record category, as appropriate.

Amortizable Assets

2681. Capital Leases

A. This account shall include all property acquired under a capital lease. (Note section 661.18 of this Title.) A lease qualifies as a capital lease when one or more of the following criteria is met:

(1) By the end of the lease term, ownership of the leased property is transferred to the lessee.

(2) The lease contains a bargain purchase option.

(3) The lease term is substantially (75% or more) equal to the estimated useful life of the leased property. However, if the beginning of the lease term falls within the last 25% of the total estimated economic life of the leased property, including earlier years of use, this criterion shall not be used for purposes of classifying the lease.

(4) At the inception of the lease, the present value of the minimum lease payments, excluding that portion of the payments representing executory costs to be paid by the lessor, including any profit thereon, equals or exceeds 90% or more of the fair value of the leased property. However, if the beginning of the lease term falls within the last 25% of the total estimated economic life of the leased property, including earlier years of use, this criterion shall not be used for purposes of classifying the lease. (The lessee utility shall compute the present value of the minimum lease payments using its incremental borrowing rate, unless (1) it is practicable for the utility to learn the implicit rate computed by the lessor, and (2) the implicit rate computed by the lessor is less than the lessee's incremental borrowing rate. If both of those conditions are met, the lessee shall use the implicit rate.)

B. All other leases are operating leases.

C. The amounts recorded in this account at the inception of a capital lease shall be equal to the original cost, if known, or to the present
value not to exceed fair value, at the beginning of the lease term, of minimum lease payments during the lease term, excluding that portion of the payments representing executory costs to be paid by the lessor, together with any profit thereon.

D. If at any time the lessee and lessor agree to change the provisions of the lease, other than by renewing the lease or extending its term, in a manner that would have resulted in a different classification of the lease under the criteria in paragraph A had the changed terms been in effect at the inception of the lease, the revised agreement shall be considered as a new agreement over its term, and the criteria in paragraph A shall be applied for purposes of classifying the new lease. Likewise, any action that extends the lease beyond the expiration of the existing lease term, such as the exercise of a lease renewal option other than those already included in the lease term, shall be considered as a new agreement and shall be classified according to the above provisions. Changes in estimates (for example, changes in estimates of the economic life or the residual value of the leased property) or changes in circumstances (for example, default by the lessee) shall not give rise to a new classification of a lease for accounting purposes.

E. For corporate ledger and balance sheet purposes this account shall be treated as a single composite account. For purposes of analysis, the company shall maintain subsidiary records in which this account is broken down into component parts corresponding to the primary telecommunications plant accounts or subdivisions thereof which include leased plant.

Note: Capital leases related to assets used solely in nonregulated activities are included in account 1406, Nonregulated investments. (See section 662.2.)

2682. Leasehold improvements
A. This account shall include the original cost of leasehold improvements made to telecommunications plant held under a capital or operating lease, which are subject to amortization treatment. This account shall also include those improvements which will revert to the lessor.

B. Improvements to leased telecommunications plant which are of a relatively minor cost or short life or for which the period of the lease is one year or less shall be charged to the account chargeable with the cost of repairs to such plant.

C. Amounts contained in this account shall be amortized over the term of the related lease.

2690. Intangibles
A. This account shall include the cost of organizing and incorporating the company, the original cost of government franchises, the original cost of patent rights, and other intangible property having a life of more than one year and used in connection with the company's telecommunications operations.

B. Subsidiary records for this account shall include a description of each class of intangible property.

C. The cost of other intangible assets having a life of one year or less shall be charged directly to account 6564, Amortization Expense -- Intangible, or as otherwise directed by the commission. Such intangibles acquired at small cost may also be charged to account 6564, irrespective of their term of life.

D. This account shall not include any discounts on securities issued,
nor shall it include costs incident to negotiating loans, selling bonds
or other evidences of debt, or expenses in connection with the
authorization, issuance, sale or resale of capital stock.

E. When charges are made to this account for expenses incurred in
mergers, consolidations, or reorganizations, amounts previously included
in this account on the books of the various companies concerned shall
not be carried over.

F. Franchise taxes payable annually or more frequently shall be
charged to account 7240, Operating Other Taxes.

G. This account shall not include the cost of plant, material and
supplies, or equipment furnished to municipalities or other governmental
authorities when given other than as initial consideration for
franchises or similar rights. (Note also account 6728, Other General &
Administrative.)

H. This account shall not include the original cost of easements,
rights of way, and similar rights in land having a term of more than one
year. Such amounts shall be recorded in account 2111, Land, or in the
appropriate outside plant account (see accounts 2411 through 2441), or
in the appropriate central office account (see accounts 2211 through
2232).

DEPRECIATION AND AMORTIZATION ACCOUNTS

3100. Accumulated Depreciation
3200. Accumulated Depreciation -- Held for Future Telecommunications
Use
3300. Accumulated Depreciation -- Nonoperating
3410. Accumulated Amortization -- Capitalized Leases
3420. Accumulated Amortization -- Leasehold Improvements
3500. Accumulated Amortization -- Intangible
3600. Accumulated Amortization -- Other
3100. Accumulated Depreciation

A. This account shall include the accumulated depreciation associated
with the investment contained in account 2001, Telecommunications Plant
in Service.

B. This account shall be credited with depreciation amounts currently
charged to account 6561, Depreciation Expense--Telecommunications Plant
in Service. (Note also account 3300, Accumulated
Depreciation--Nonoperating.)

C. At the time of retirement of depreciable operating
telecommunications plant, this account shall be charged with the
original cost of the property retired plus the cost of removal and
credited with the salvage value and any insurance proceeds recovered.
(With respect to entries relating to station apparatus and station
connections, see accounts 2311 and 2321.) 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 3100.01, Retirement Work in Progress. Upon
completion of the work order, the proper distribution to subdivisions of
this account shall be made as provided in paragraph E, infra.

D. This account shall be credited with amounts charged to account
1438, Deferred Maintenance and Retirements, as provided in section
664.4. This account shall be credited with amounts charged to account
6561 with respect to other than relatively minor losses in service
values suffered through terminations of service when charges for such
terminations are made to recover the losses.
E. For corporate ledger and balance sheet purposes this account shall be regarded and treated as a single composite reserve. However, for purposes of analysis, the company shall maintain subsidiary records in which the depreciation reserve is broken down into component parts corresponding to the primary telecommunications plant accounts or subdivisions thereof, which include depreciable telecommunications plant (note also section 664.3). Such subsidiary records shall reflect the current credits and debits to the account in sufficient detail to show separately for each primary telecommunications plant account (1) the amount of depreciation accrued, (2) the book cost of property retired, (3) cost of removal, (4) salvage, and (5) other items including recoveries from insurance.

3200. Accumulated Depreciation -- Held for Future Telecommunications Use
   A. This account shall include the accumulated depreciation associated with the investment contained in account 2002, Property Held for Future Telecommunications Use.
   B. This account shall be credited with amounts concurrently charged to account 6562, Depreciation Expense--Property Held for Future Telecommunications Use.

3300. Accumulated Depreciation--Nonoperating
   A. This account shall include the accumulated amortization and depreciation associated with the investment contained in account 2006, Nonoperating Plant.
   B. This account shall be credited with amortization and depreciation amounts concurrently charged to account 7360, Other Nonoperating Income.
   C. When nonoperating plant not previously used in telecommunications service is disposed of, this account shall be charged with the amount previously credited hereto with respect to such property and the book cost of the property so retired less the amount chargeable to this account and less the value of the salvage recovered or the proceeds from the sale of the property shall be included in account 7350, Gains or Losses from the Disposition of Certain Property. In case the property had been used in telecommunications service previous to its inclusion in account 2006, Nonoperating Plant, the amount accrued for depreciation thereon after its retirement from telecommunications service shall be charged to this account and credited to account 3100, Accumulated Depreciation, and the accounting for its retirement from account 2006 shall be in accordance with that applicable to telecommunications plant retired.

*So in original "by" should be "be"

3410. Accumulated Amortization -- Capitalized Leases
   A. This account shall include the accumulated amortization associated with the investment contained in account 2681, Capital Leases.
   B. This account shall be credited with amounts for the amortization of capital leases concurrently charged to account 6563, Amortization Expense--Tangible. (Note also account 3300, Accumulated Depreciation--Nonoperating.)
   C. When any item carried in account 2681 is sold, is relinquished, or is otherwise retired from service, this account shall be charged with the cost of the retired item. Remaining amounts associated with the item shall be debited to account 7160, Other Operating Gains and Losses, or account 7360, Other Nonoperating Income, as appropriate.
   D. The company shall maintain subsidiary records in which this account
is broken down into component parts corresponding to the primary telecommunication plant accounts or subdivisions thereof which include leased plant.

3420. Accumulated Amortization Leasehold Improvements
A. This account shall include the accumulated amortization associated with the investment contained in account 2682, Leasehold improvements.
B. This account shall be credited with amounts for the amortization of leasehold improvements concurrently charged to account 6563, Amortization Expense--Tangible. (Note also account 3300, Accumulated Depreciation--Nonoperating.)
C. When any item carried in account 2682 is sold, is relinquished, or is otherwise retired from service, this account shall be charged with the cost of the retired item. Remaining amounts associated with the item shall be debited to account 7360, Other Nonoperating Income.

3500. Accumulated Amortization Intangible
A. This account shall include the accumulated amortization associated with the investment contained in account 2690, Intangibles.
B. This account shall be credited with amortization amounts concurrently charged to account 6564, Amortization Expense--Intangible. (Note also account 3300, Accumulated Depreciation--Nonoperating.)
C. When any item carried in account 2690 is sold, relinquished, or otherwise retired from service, this account shall be charged with the cost of the retired item. Remaining amounts associated with the item shall be debited to account 7360, Other Nonoperating Income.

3600. Accumulated Amortization--Other
A. This account shall include the accumulated amortization of telecommunications plant acquisition adjustments and other plant adjustments recorded in account 2005, Telecommunications Plant Adjustment.
B. This account shall be credited with amortization amounts concurrently charged to account 6565, Amortization Expense--Other. (Note also account 3300, Accumulated Depreciation--Nonoperating.)
C. When any item carried in account 2005 is sold, relinquished, or otherwise retired from service, this account shall be charged with the cost of the retired item. Remaining amounts associated with the item shall be debited to account 7360, Other Nonoperating Income.
D. Subsidiary records shall be maintained in order to separately identify the amounts contained herein that relate to the amortization of amounts carried in subaccount 2005.1, Telecommunications Plant Acquisition Adjustment and subaccount 2005.2, Other Plant Adjustment.

BALANCE SHEET ACCOUNTS
LIABILITIES AND STOCKHOLDERS' EQUITY

Current Liabilities
4010.1. Accounts Payable to Affiliated Companies
4010.2. Other Accounts Payable
4020.1. Notes Payable to Affiliated Companies
4020.2. Other Notes Payable
4030. Advance Billing and Payments
4040. Customers' Deposits
4050. Current Maturities--Long-Term Debt
4060. Current Maturities--Capital Leases
4070. Income Taxes--Accrued
4080. Other Taxes--Accrued
4100. Current Deferred Operating Income Taxes--Cr
4110. Current Deferred Nonoperating Income Taxes--Cr
4120. Other Accrued Liabilities
4130. Other Current Liabilities

Long-Term Debt
4210. Funded Debt
4220. Premium on Long-Term Debt
4230. Discount on Long-Term Debt
4240. Reacquired Debt
4250. Obligations Under Capital Leases
4260. Advances from Affiliated Companies
4270. Other Long-Term Debt

Other Liabilities and Deferred Credits
4310. Other Long-Term Liabilities
4320. Unamortized Nonoperating Investment Tax Credits--Net
4330. Unamortized Operating Investment Tax Credits--Net
4340. Noncurrent Deferred Operating Income Taxes--Cr
4350. Noncurrent Deferred Nonoperating Income Taxes--Cr
4360. Other Deferred Credits
4370. Other Jurisdictional Liabilities and Deferred Credits--Net

Stockholders' Equity
4510.1. Capital Stock--Common
4510.2. Capital Stock--Preferred
4520. Additional Paid--In Capital
4530. Treasury Stock
4540. Other Capital
4550.1. Appropriated Retained Earnings
4550.2. Unappropriated Undistributed Affiliate Earnings
4550.3. Unappropriated Retained Earnings

CURRENT LIABILITIES
4010.1. Accounts Payable to Affiliated Companies
   A. This account shall include all amounts currently due to affiliated
   companies for recurring trade obligations, and not provided for in other
   accounts, such as those for traffic settlements, material and supplies,
   repairs to telecommunications plant, matured rents, and interest payable
   under monthly settlements on short-term loans, advances, and open
   accounts.
   B. There shall be included herein accounts payable arising from
   sharing of revenues.
   C. A separate subaccount shall be maintained for each affiliate as
   prescribed in section 661.16(h).
   Note: If items included in this account are not actually paid
   currently they shall be transferred to account 4260, Advances from
   Affiliated Companies.

4010.2. Other Accounts Payable
   A. This account shall include all amounts currently due to
   nonaffiliated companies and individuals for recurring trade obligations,
   and not provided for in other accounts, such as those for traffic
   settlements, material and supplies, repairs to telecommunications plant,
   matured rents, and interest payable under monthly settlements on
   short-term loans, advances, and open accounts. It shall also include
   amounts of taxes payable that have been withheld from employees' salaries.
   B. There shall be included herein accounts payable arising from
   sharing of revenues.
4020.1. Notes Payable to Affiliated Companies
   A. This account shall include the face amount of notes, drafts, and other evidences of indebtedness to affiliated companies issued or assumed by the company (except interest coupons) which are payable on demand or not more than one year or less from date of issue.
   B. If any part of an obligation, otherwise includable in this account matures more than one year from date of issue, it shall be included in account 4260, Advances from Affiliated Companies, or other appropriate account.
   C. The records supporting the entries to this account shall be kept so that the company can furnish complete details as to each note, when it is issued, the consideration received, and when it is payable.
   D. A separate subaccount shall be maintained for each affiliate as prescribed in section 661.16(h).

4020.2. Other Notes Payable
   A. This account shall include the face amount of notes, drafts, and other evidences of indebtedness to nonaffiliated companies and individuals issued or assumed by the company (except interest coupons) which are payable on demand or not more than one year or less from date of issue.
   B. If any part of an obligation, otherwise includable in this account matures more than one year from date of issue, it shall be included in account 4210, Funded Debt, or other appropriate account.
   C. The records supporting the entries to this account shall be kept so that the company can furnish complete details as to each note, when it is issued, the consideration received, and when it is payable.

4030. Advance Billing and Payments
   This account shall include the amount of advance billing creditable to revenue accounts in future months; also advance payments made by prospective customers prior to the establishment of service. Amounts included in this account shall be credited to the appropriate revenue accounts in the months in which the service is rendered or cleared from this account as refunds are made.

4040. Customers' Deposits
   A. This account shall include the amount of cash deposited with the company by customers as security for the payment for telecommunications service.
   B. Advance payments made by prospective customers prior to the establishment of service shall be credited to account 4030, Advance Billing and Payments.

4050. Current Maturities -- Long-Term Debt
   This account shall include the amount (including any obligations for premiums) of long-term debt matured and unpaid without any specific agreement for extension of maturity, including unpresented bonds drawn for redemption through the operation of sinking and redemption fund agreements.

4060. Current Maturities -- Capital Leases
   This account shall include the current portion of obligations applicable to property obtained under capital leases.

4070. Income Taxes -- Accrued
   A. This account shall be credited or charged and the following accounts shall be charged or credited with the offsetting amount of current year income taxes (Federal, State and local) accrued during the period or adjustments to prior accruals:
7220 Operating Federal Income Taxes
7230 Operating State and Local Income Taxes
7420 Nonoperating Federal Income Taxes
7430 Nonoperating State and Local Income Taxes
7630 Current Income Tax Effect of Extraordinary Items Net

B. If significant, current year Income taxes paid in advance shall be reclassified to account 1300, Prepaid Taxes. (Note also section 663.3 (b) (8).)

4080 Other Taxes -- Accrued

A. This account shall be credited or charged and account 7240, Operating Other Taxes, or 7440, Nonoperating Other Taxes, or, for payroll related costs, the appropriate expense accounts shall be charged or credited for all taxes, other than Federal, State and local income taxes, accrued or adjusted for previous accruals during the period. Among the taxes includable in this account are property, gross receipts, franchise, capital stock, social security and unemployment taxes. (Note also section 663.3(b)(8) of this Title.)

B. Taxes paid in advance of the period in which they are chargeable to income shall be included in the prepaid taxes account 1300, Prepaid Taxes, or 1410, Other Noncurrent Assets, as appropriate.

4100. Current Deferred Operating Income Taxes -- Cr

A. This account shall include the balance of income tax expense related to current items from regulated operations which have been deferred to later periods as a result of the normalized method of accounting for tax credits authorized by this commission and not provided for elsewhere.

B. As regulated assets which generated the deferred Income tax are reclassified from long-term or noncurrent status to current, the appropriate deferred income tax shall be reclassified from account 4340, Noncurrent Deferred Operating Income Taxes -- Cr, to this account.

C. This account shall be credited with the amount being debited to account 7250, Provision For Deferred Operating Income Taxes--Net, in accordance with that account's description and provisions of section 661.13.

D. This account shall be debited with the amount being credited (reversed) to account 7250, Provision for Deferred Operating Income Taxes--Net, in accordance with that account's description and provisions of section 661.13.

E. The classification of deferred Income taxes as current or noncurrent shall follow the classification of the asset or liability that gave rise to the deferred income tax. If there is no related asset or liability, classification shall be based on the expected turn-around of the tax timing difference.

F. Subsidiary record categories shall be maintained in order that the company may separately report the amounts contained herein that are property related and those that are nonproperty related.

4110. Current Deferred Nonoperating Income Taxes -- Cr

A. This account shall include the balance of income tax expense resulting from comprehensive interperiod tax allocation which has been deferred to later periods.

B. As other assets which generated the deferred income tax are reclassified from long-term or noncurrent status to current, the appropriate deferred income tax shall be reclassified from account 4350, Noncurrent Deferred Nonoperating Income Taxes -- Cr, to this account.
C. This account shall be credited with the amount being debited to account 7450, Provision For Deferred Nonoperating Income Taxes--Net, in accordance with that account's description and section 661.13.

D. This account shall also include the balance of the income taxes (Federal, State and local) related to current extraordinary items which have been deferred to later periods resulting from comprehensive interperiod tax allocation.

E. As the extraordinary item which generated the deferred income tax becomes current, the appropriate deferred Income tax shall be reclassified from account 4350, Noncurrent Deferred Nonoperating Income Taxes -- Cr, to this account.

F. This account shall be credited or debited with the amount being debited and credited to account 7640, Provision for Deferred Income Tax Effect of Extraordinary Items--Net.

G. The classification of deferred income taxes as current or noncurrent shall follow the classification of the asset or liability that gave rise to the deferred income tax. If there is no related asset or liability, classification shall be based on the expected turn-around.

H. Subsidiary record categories shall be maintained in order that the company may separately report the amounts contained herein that are property related and those that are nonproperty related.

4120. Other Accrued Liabilities

A. This account shall include the amount of wages, compensated absences, interest on indebtedness of the company, dividends on capital stock, and rents accrued to the date for which the balance sheet is made, but not payable until after that date.

B. This account shall be maintained so as to show separately the amount and nature of the items accrued to the date of the balance sheet.

C. Matured rents, dividends and interest shall be included in account 4010.2, Other Accounts Payable.

D. Interest payable under monthly settlements on short-term loans, advances, and open accounts shall be included in account 4010.2.

4130. Other Current Liabilities

This account shall include liabilities of current character which are not includable in accounts 4010.1 through 4120.

LONG-TERM DEBT

4210. Funded Debt

A. This account shall include the total face amount of unmatured debt, maturing more than one year from date of issue, issued by the company and not retired, and the total face amount of similar unmatured debt of other companies, the payment of which has been assumed by the company, including funded debt the maturity of which has been extended by specific agreement.

B. This account shall include such items as mortgage bonds, collateral trust bonds, income bonds, convertible debt, debt securities with detachable warrants and other similar obligations maturing more than one year from date of issue.

C. In the case of debt securities with detachable warrants this account shall include only the face amount of the security at the time of issuance. The value of detachable warrants shall be charged to either account 4220, Premium on Long-Term Debt, or account 4230, Discount on Long-Term Debt, as appropriate, and credited to account 4520, Additional Paid-In Capital, in the case of capital stock warrants, or retained in
this account as a separately identifiable amount in the case of detachable long-term debt warrants. No similar allocation shall be made for the issuance of either convertible debt or debt securities with nondetachable warrants.

D. Subsidiary records shall be maintained for each issue.

E. Securities maturing in one year or less, including securities maturing serially, shall be included in account 4050, Current Maturities—Long-Term Debt.

F. Investment advances, including those represented by notes, shall be included in account 4270, Other Long-Term Debt.

4220. Premium on Long-Term Debt

A. This account shall include the premium associated with all classes of long-term debt. Premium, as applied to securities issued or assumed by the company, means the excess of the current money value received at their sale over the sum of their book or face amount and interest or dividends accrued at the date of the sale.

B. Amounts included in this account on securities issued after the effective date of January 1, 1988 shall be amortized monthly by the interest method or as directed by the commission and credited to account 7510.3, Amortization of Premium on Long-Term Debt—Credit. Unamortized premium related to reacquired debt shall be disposed of as provided in account 4240, Reacquired Debt. Amounts included in this account for securities issued prior to January 1, 1988 shall continue to be amortized using the straight-line method. (Note also paragraph C of account 4210, Funded Debt.)

C. Subsidiary records shall be maintained to identify the premium attributable to each issue.

4230. Discount on Long-Term Debt

A. This account shall include the discount associated with all classes of long-term debt. Discount, as applied to securities issued or assumed by the company, means the excess of the book or face amount of the securities plus interest or dividends accrued at the date of the sale over the current money value of the consideration received at their sale.

B. Amounts included in this account on securities issued after the effective date of January 1, 1988 shall be amortized monthly by the interest method or as directed by the commission and charged to account 7510.2, Amortization of Discount on Long-Term Debt. Unamortized discount related to reacquired debt shall be disposed of as provided in account 4240, Reacquired Debt. Amounts included in this account for securities issued prior to January 1, 1988 shall continue to be amortized using the straight-line method. (Note also paragraph C of account 4210, Funded Debt.)

C. Subsidiary records shall be maintained to identify the discount attributable to each issue.

4240. Reacquired Debt

A. This account shall include the face amount of debt reacquired prior to maturity that has not been retired. Gain or loss shall be recognized at the time of reacquisition by credits or charges to account 7360, Other Nonoperating Income, except that material gains or losses shall be treated as extraordinary. (See accounts 7610, Extraordinary Income Credits, and 7620, Extraordinary Income Charges.)

B. The gain or loss is the difference between the amount paid upon reacquisition and the face value; plus any unamortized premium less any
related unamortized debt expense and reacquisition costs; or less any
unamortized discount, related debt expense and reacquisition costs
applicable to the debt redeemed.
C. Reacquisition, with refunding. When the redemption of one issue or
series of bonds or other long-term obligation is financed by another
issue or series before the maturity date of the first issue, the gains
or losses ordinarily recognized in income, as in paragraph A above, may
be subject to amortization upon approval by the commission.
4250. Obligations Under Capital Leases
A. This account shall include the noncurrent portion of obligations
applicable to property obtained under capital leases.
B. Amounts subject to current settlement shall be included in account
4060, Current Maturities--Capital Leases.
4260. Advances from Affiliated Companies
A. This account shall include the amount of advances from affiliated
companies.
B. Amounts due affiliated companies which are subject to current
settlement shall be included in account 4010.1 or 4020.1, as
appropriate.
C. Separate subaccounts shall be maintained for each affiliate as
prescribed in section 661.16(h).
4270. Other Long-Term Debt
This account shall include long-term debt not provided for elsewhere.
OTHER LIABILITIES AND DEFERRED CREDITS
4310. Other Long-Term Liabilities
A. This account shall include amounts accrued to provide for such
items as unfunded pensions (if actuarially determined), death benefits,
deferred compensation costs and other long-term liabilities not provided
for elsewhere.
B. Subsidiary records shall be maintained to identify the nature of
the items included herein.
4320. Unamortized Operating Investment Tax Credits--Net
A. This account shall be credited and account 7210, Operating
Investment Tax Credits--Net, should be debited with investment tax
credits generated from qualified expenditures related to regulated
operations which the company defers rather than recognizes currently in
income.
B. This account shall be debited and account 7210 credited with a
proportionate amount determined in relation to the period of time used
for computing book depreciation on the property to which the tax credit
relates.
4330. Unamortized Nonoperating Investment Tax Credits -- Net
A. This account shall be credited and account 7410, Nonoperating
Investment Tax Credits--Net, shall be debited with investment tax
credits generated from qualified expenditures related to other
operations which the company has elected to defer rather than recognize
currently in income.
B. This account shall be debited and account 7410 credited with a
proportionate amount determined in relation to the useful book life of
the property to which the tax credit relates.
4340. Noncurrent Deferred Operating Income Taxes -- Cr
A. This account shall include the balance of income tax expense
related to noncurrent items from regulated operations which have been
deferred to later periods as a result of comprehensive interperiod tax
allocation related to timing differences that arise from regulated operations.

B. This account shall be credited and account 7250, Provision for Deferred Operating Income Taxes--Net, shall be debited to reflect the offset for the tax effect of revenues and expenses from regulated operations which have been included in the determination of taxable Income, but which will not be included in the determination of book income.

C. This account shall be debited and account 7250, Provision for Deferred Operating Income Taxes--Net, shall be credited to reflect the reversal of the tax effects initially credited in accordance with paragraph B of this account.

D. As regulated assets which generated the deferred Income tax are reclassified from long-term or noncurrent status to current status, the appropriate deferred income tax shall be reclassified from this account to account 4100, Current Deferred Operating Income Taxes -- Cr.

E. The classification of deferred income taxes as current or noncurrent shall follow the classification of the asset or liability that gave rise to the deferred income tax. If there is no related asset or liability, classification shall be based on the expected turn-around of the tax timing difference.

F. Subsidiary record categories shall be maintained in order that the company may separately report the amounts contained herein that are property related and those that are nonproperty related.

4350. Noncurrent Deferred Nonoperating Income Taxes -- Cr

A. This account shall include the balance of income tax expense (Federal, State and local) that has been deferred to later periods as a result of comprehensive interperiod tax allocation related to nonoperating timing differences.

B. This account shall be credited and account 7450, Provision for Deferred Nonoperating Income Taxes--Net, shall reflect the offset for the tax effect of items from other operations and extraordinary items and nonoperating items which have been included in the determination of taxable income, but which will not be included in the determination of book income.

C. As other assets or liabilities which generated the deferred income tax are reclassified from long-term or noncurrent status to current status, the appropriate deferred income tax shall be reclassified from this account to account 4110, Current Deferred Nonoperating Income Taxes -- Cr.

D. This account shall also include the balance of the income tax effect (Federal, State and local) related to noncurrent extraordinary items which have been included in the determination of taxable income in a period different from when it is included in the determination of book income, that is, more than one year.

E. This account shall be credited or charged with the contra amount recorded to account 7640, Provision for Deferred Income Tax Effect of Extraordinary Items--Net, in accordance with section 661.13 of this Title.

F. As the extraordinary item which generated the deferred income tax becomes current, the appropriate deferred income tax shall be reclassified from this account to account 4110, Current Deferred Nonoperating Income Taxes -- Cr.

G. The classification of deferred Income taxes as current or
noncurrent shall follow the classification of the asset or liability that gave rise to the deferred income tax. If there is no related asset or liability, classification shall be based on the expected turn-around of the tax timing difference.

H. Subsidiary record categories shall be maintained in order that the company may separately report the amounts contained herein that are property related and those that are nonproperty related.

4360. Other Deferred Credits
This account shall include the amount of all deferred credits not provided for elsewhere, such as amounts awaiting adjustment between accounts; and revenue, expense, and income items in suspense. (See also section 661.9. of this Title.)

4370. Other Jurisdictional Liabilities and Deferred Credits -- Net
This account shall include the cumulative impact on liabilities and deferred credits of the jurisdictional ratemaking practices which vary from those of this commission. All entries recorded in this account shall be recorded net of any applicable income tax effects and shall be supported by appropriate subsidiary records where necessary as provided for in section 661.3(e) of this Title.

STOCKHOLDERS' EQUITY

4510.1. Capital Stock -- Common
4510.2. Capital Stock -- Preferred
A. This account shall include the par value, stated amount, or in the case of no-par stock, the amount received for capital stock issued and outstanding.

B. Subsidiary records shall be maintained so as to show the amount of stocks without par value and with par value, classified according to preferences in distribution of dividends or assets.

C. This account shall be charged with the book amount of any stock retired.

D. Before recording journal entries which propose to spread upon the company's books to record the reacquirement of capital stock or other securities issued or assumed by the company under a plan for the issuance in exchange of the company's securities, the company shall present a statement indicating the plan of proposed accounting to this commission for consideration and approval. Such statement shall give complete information concerning the plan of exchange, the authority of the regulatory body with respect thereto, if any, and the basis upon which the amounts have been determined.

E. Before recording journal entries which propose to spread upon the company's books to record the issuance or assumption by the company of nonpar capital stock or appropriations of retained earnings for transfer to nonpar capital stock accounts, the company shall present the plan of accounting to this commission for consideration and approval. Such statement shall give complete information with respect to the basis upon which the amounts to be recorded have been determined.

4520. Additional Paid-in Capital
A. This account shall include the difference between the net proceeds (including premium and stock issuance expense) received from the issuance of capital stock and the amount includable in accounts 4510.1, Capital Stock--Common, and 4510.2, Capital Stock Preferred, unless such difference results in a debit balance for that class of stock, in which case the amount shall be charged to account 4550.8, Adjustments to Retained Earnings.
B. This account shall also include gains arising from the retirement and cancellation of capital stock and gains arising from the reacquisition and resale of the company's capital stock. Losses from the retirement and cancellation of capital stock and losses from the reacquisition and sale of the company's capital stock shall be charged to this account to the extent that there exist credits in this account for the same class of stock; otherwise to account 4550.8, Adjustments to Retained Earnings.

4530. Treasury Stock
A. This account shall include the cost of the company's own capital stock which has been issued and subsequently reacquired but not retired or resold.
B. Gains and losses on the sale of treasury stock shall be included in account 4520, Additional Paid-in Capital. Losses shall be charged to account 4520 only to the extent that there exists credits from previous sales or retirements of the same class of stock; otherwise, to retained earnings. The gain or loss on the sale of treasury stock shall be the difference, if any, between the cost of the treasury stock when reacquired and the amount actually received from the sale less commissions and other expenses of making the sale. Upon sale or other disposition, the amount credited to this account shall be exactly the same as the amount which was debited to this account when the treasury stock was acquired.

4540. Other Capital
This account shall include amounts which are credits arising from the donation by stockholders of the company's capital stock, capital recorded upon the reorganization or recapitalization of the company and temporary declines in the value of marketable securities held for investment purposes. (See also account 1401.1, Investment in Affiliated Companies.)

4550.1. Appropriated Retained Earnings
A. This account shall include the amount of retained earnings which has been appropriated or set aside for specific purposes.
B. Separate subaccounts shall be maintained under such titles as will designate the purpose for which each appropriation was made.

4550.2. Unappropriated Undistributed Affiliate Earnings
This account shall include the balance, either debit or credit, of undistributed retained earnings of affiliated companies accounted for on the equity method since their acquisition. When dividends are received from affiliated companies relating to amounts included in this account, this account shall be debited and account 4550.3, Unappropriated Retained Earnings, credited.

4550.3. Unappropriated Retained Earnings
A. This account shall include the balances, 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.
B. The following group of accounts (4550.4 to 4550.8) shall be maintained throughout the year to show net changes in account 4550.3, Unappropriated Retained Earnings, during the calendar year. No entries shall be made directly to account 4550.3, except as provided for in account 4550.2, Unappropriated Undistributed Affiliate Earnings. At the end of each calendar year, the balance of accounts 4550.4 to 4550.8, inclusive, shall be closed into account 4550.3.
C. 4550.4 Balance Transferred from income. This account shall include the net credit or debit transferred from income for the year, after the exclusion of the company's share in the earnings or losses of affiliated companies accounted for under the equity method. (Note also account 4550.2, Unappropriated Undistributed Affiliated Earnings.)

D. 4550.5 Appropriations of Retained Earnings. This account shall include all appropriations of retained earnings required under the terms of mortgages, deeds of trust, order of courts or by action of regulatory authorities, contracts, or other agreements, and retained earnings appropriated at the company's discretion.

E. 4550.6 Dividends Declared--Preferred Stock
   4550.7. Dividends Declared--Common Stock
   (1) These accounts shall include amounts declared payable out of retained earnings as dividends on actually outstanding capital issued by the company.
   (2) 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.

F. 4550.8 Adjustments to Retained Earnings.
   (1) This account shall, with prior commission approval (see section 661.17(b) of this Title), include significant nonrecurring transactions accounted for as prior period adjustments, as follows:
      (a) Correction of an error in the financial statements of a prior year.
      (b) Adjustments that result from realization of income tax benefits of preacquisition operating loss carry forwards of purchased subsidiaries.
      All other items of profit and loss recognized during a year shall be included in the determination of net income for that year.
   (2) Adjustments, charges, or credits due to losses on reacquisition, resale or retirement of the company's own capital stock shall be included in this account. (See account 4520, Additional Paid-in Capital, for the treatment of gains.)

REVENUE ACCOUNTS

Local Network Services Revenues
5000. Basic Local Service Revenue
5001. Basic Area Revenue
5002. Optional Extended Area Revenue
5003. Cellular Mobile Revenue
5004. Other Mobile Services Revenue
5010. Public Telephone Revenue
5040. Local Private Line Revenue
5050. Customer Premises Revenue
5060. Other Local Exchange Revenue
5069. Other Local Exchange Revenue Settlements
Network Access Services Revenue
5080. Network Access Revenue
5081. End User Revenue
5082. Switched Access Revenue
5083. Special Access Revenue
5084. State Access Revenue
Long Distance Network Services Revenues
5100. Long Distance Message Revenue
5110. Unidirectional Long Distance Revenue
5111. Long Distance Inward--Only Revenue
5112. Long Distance Outward--Only Revenue
5120. Long Distance Private Network Revenue
5121. Subvoice Grade Long Distance Private Network Revenue
5122. Voice Grade Long Distance Private Network Revenue
5123. Audio Program Grade Long Distance Private Network Revenue
5124. Video Program Grade Long Distance Private Network Revenue
5125. Digital Transmission Long Distance Private Network Revenue
5126. Long Distance Private Network Switching Revenue
5128. Other Long Distance Private Network Revenue
5129. Other Long Distance Private Network Revenue Settlements
5160. Other Long Distance Revenue
5169. Other Long Distance Revenue Settlements
Miscellaneous Revenues
5230. Directory Revenue
5240. Rent Revenue
5250. Corporate Operations Revenue
5260. Miscellaneous Revenue
5261. Special Billing Arrangements Revenue
5262. Customer Operations Revenue
5263. Plant Operations Revenue
5264. Other Incidental Regulated Revenue
5269. Other Revenue Settlements
5270.1. Interstate Billing and Collection Revenue
5270.2. Intrastate Billing and Collection Revenue
5280. Nonregulated Operating Revenue
Uncollectible Revenues
5300. Uncollectible Revenue
5301. Uncollectible Revenue--Telecommunications
5302. Uncollectible Revenue--Other
LOCAL NETWORK SERVICES REVENUES
5000. Basic Local Service Revenue
This account number shall be used to summarize for reporting purposes the contents of accounts 5001 through 5004.
5001. Basic Area Revenue
   A. This account shall include monthly revenue derived from the provision of basic local area message services such as flat-rate services and measured services as well as local usage charges not included in basic monthly rates. Included is revenue derived from nonoptional extended area services. Also included is revenue derived from the billed or guaranteed portion of semipublic services and locality mileage charges.
   B. Revenue derived from charges for nonpublished numbers or additional and bold-faced listings in the alphabetical section of the company's telephone directories shall be included in account 5230, Directory Revenue.
   C. Subsidiary record categories shall be maintained in order that the company may separately report the amounts that are contained herein that relate to regional calling plans and local rate plans.
   Note: Message revenue from public and semipublic coin telephones shall be credited to account 5010, Public Telephone Revenue.
5002. Optional Extended Area Revenue
   This account shall include total revenue derived from the provision of optional extended area service.
5003. Cellular Mobile Revenue
This account shall include message revenue derived from cellular mobile telecommunications systems connected to the public switched network placed between mobile units and other stations within the mobile service area.

5004. Other Mobile Services Revenue
A. This account shall include message revenue derived from general radio telecommunications systems connected to the public switched network placed between mobile units and other stations within the mobile service area, as well as revenue from mobile radio paging, mobile dispatching, and signaling services.
B. Revenue from private mobile telephone services which do not have access to the public switched network shall be included in account 5264, Other Incidental Regulated Revenue.

5010. Public Telephone Revenue
This account shall include message revenue (e.g., coin paid) and other revenue derived from public and semipublic telephone services provided within the basic service area.

5040. Local Private Line Revenue
This account shall include revenue derived from local services that involve dedicated circuits, private switching arrangements, and/or predefined transmission paths, whether virtual or physical, which provide communications between specific locations (e.g., point-to-point communications). It includes revenue from subvoice grade, voice grade, audio and video program grade, digital transmission and local private network switching as well as the revenue from administrative and operational support services associated with private network services and facilities (e.g., charges for company directed testing, expedited installation, and service restoration priority).

5050. Customer Premises Revenue
A. This account shall include revenue derived from tariffed information origination/termination plant. Included is revenue derived from the provision under leasing arrangements of tariffed customer premises equipment (CPE), terminal equipment, station apparatus and large private branch exchanges as well as tariffed nonrecurring charges related solely to station apparatus. Also included are all tariffed charges for customer premises activities and facilities not related solely to station apparatus.
B. Subsidiary record categories shall be maintained to segregate monthly recurring revenues and nonrecurring revenues such as charges for installation of customer premises wiring or jacks, moves and relocations of premises wiring and premise wiring terminations, locating and repairing trouble faults on the customers side of the demarcation point.

5060. Other Local Exchange Revenue
A. This account shall include revenue from the provision of secondary features which are integrated with the telecommunications network such as call forwarding, call waiting and touchtone line service. Also included is revenue derived from the provision of public announcement and other record message services, directory assistance and other call completion services (excluding operator assisted basic long distance calls), as well as revenue derived from central office related service connection and termination charges, and other nonpremise customer specific charges associated with public network services. This account shall also include local revenue not provided for in other accounts.
B. Subsidiary record categories shall be maintained in order that the company may report separately the amounts contained herein that relate to secondary features (i.e., call forwarding, call waiting, touchtone service), operator call completion services, non-recurring charges for central office related installations, moves and changes, recorded announcement services, tax surcharges and Federal transfer surcharges, and other exchange revenues (e.g., Centrex, Pathway services).

Note: Bid revenues associated with mass announcement services shall be included in account 5264, Other Incidental Regulated Revenues.

5069. Other Local Exchange Revenue Settlements

This account shall include the charges and credits resulting from contractual revenue pooling and/or sharing agreements for tariffed local network services only when they are not separately identifiable by local network services revenue accounts in the settlement process. (See also section 665.5 of this Title.) To the extent that the charges and credits resulting from a settlement process can be identified by Local Network Services Revenue account they shall be recorded in the applicable account.

NETWORK ACCESS SERVICES REVENUES

5080. Network Access Revenue

A. This account number shall be used to summarize for reporting purposes the contents of accounts 5081 through 5084. It shall include revenue derived from the provision of exchange access services to an interexchange carrier or to an end user of telecommunications service beyond the exchange carrier's network.

B. Accounts 5081 through 5083 are for federally tariffed access charges while account 5084 is to be used for State tariffed access charges.

5081. End User Revenue

This account shall contain the federally tariffed monthly flat-rate charge assessed upon end users.

5082. Switched Access Revenue

A. This account shall consist of federally tariffed charges assessed to interexchange carriers for access to local exchange facilities.

B. Subsidiary record categories shall be maintained in order that the company may separately report the amounts contained herein that relate to limited pay telephone, carrier common line, line termination, local switching, intercept, information, common transport and dedicated transport.

5083. Special Access Revenue

A. This account shall include all federally tariffed charges assessed for other than end user or switched access charges referred to in account 5081, End User Revenue, and account 5082, Switched Access Revenue.

B. Subsidiary record categories shall be maintained in order that the company may separately report the amounts contained herein that relate to recurring charges, non-recurring charges and surcharges.

5084. State Access Revenue

A. This account shall include all State tariffed charges assessed by local exchange carriers upon interexchange carriers and end users for access to the local exchange network for intrastate telecommunications.

B. Billing and collections services provided under exchange access tariffs shall be included in account 5270.1, Interstate Billing and Collection Revenues, or account 5270.2, Intrastate Billing and
Collection Revenues.

C. Subsidiary record categories shall be maintained in order that the company may separately report the amounts contained herein that relate to end user revenues, switched access revenues and special access revenues.

LONG DISTANCE NETWORK SERVICES REVENUES

5100. Long Distance Message Revenue

This account shall be used for revenue derived from message services that terminate beyond the basic local service area of the originating wire center and are individually priced. This includes those message services which utilize the public long distance switching network and the basic subscriber access line. (See also account 5111, Long Distance Inward-Only Revenue, and account 5112, Long Distance-Outward Only Revenue.) It also includes those long distance calls placed from mobile and public telephones, as well as any charges for operator assistance or special billing directly related to the completion of a specific call. This account shall also include revenue derived from message services offered under calling plans (discounted long distance) which do not utilize dedicated access lines, as well as those priced at the basic long distance rates where a discounted toll charge is on a per message basis. Any revenue derived from monthly or one-time charges for obtaining calling plan services shall be included in this account. Subsidiary record categories shall be maintained so that revenues from optional calling rate plans may be reported separately.

5110. Unidirectional Long Distance Revenue

This account number shall be used to summarize for reporting purposes the contents of accounts 5111 and 5112. It shall include revenue derived from long distance services which permit unidirectional calls to a subscriber from specified service areas or which permit the subscriber to place telephone calls from one location to other specified services areas. It shall also include revenue derived from toll calling plans which embody flat-rate or measured time toll service. (See also account 5100, Long Distance Message Revenue.)

5111. Long Distance inward-Only Revenue

This account shall include the revenue derived from long distance services which permit unidirectional calls to a subscriber from specified services areas (multipoint-to-point service). These calls require the use of dedicated access lines connecting a subscriber's premises and a designated central office. These dedicated access lines are generally separate from those required for the subscriber to place outward calls. The call is billed to the subscriber even though it is generally initiated by the subscriber's customer or correspondent.

5112. Long Distance Outward-Only Revenue

This account shall include revenue derived from long distance services which permit the subscriber to place telephone calls from one location to other specified service areas (point-to-multipoint service). These calls are completed without operator assistance and require the use of a dedicated access line. The dedicated access line is generally separate from those required for inward message services and cannot be used to place calls within the basic local service area or calls outside the selected service areas. Outward calls are screened and blocked to determine whether the calls are within an authorized service area.

5120. Long Distance Private Network Revenue

A. This account number shall be used to summarize for reporting
presents the contents of accounts 5121 through 5129. It shall include revenue derived from services extending beyond the basic service area that involve dedicated circuits, private switching arrangements, and/or predefined transmission paths, whether virtual or physical, which provide communications between specific locations (e.g., point-to-point communications).

B. Service connection charges, termination charges, rearrangements and changes, etc., shall be included in each account to which they apply. Revenue derived from associated administrative and operational support services shall be included in account 5128, Other Long Distance Private Network Revenue.

5121. Subvoice Grade Long Distance Private Network Revenue
This account consists of revenue from narrow-band analog private network circuits and facilities furnished exclusively for record forms of communications, such as teletypewriter, teletypesetter, telex, ticker, Morse, signaling, remote metering, and supervisory services.

5122. Voice Grade Long Distance Private Network Revenue
This account consists of revenue from private network circuits and facilities (including multipurpose wide-band) which provide voice grade services for the transmission of analog signals. It includes revenue from services such as voice, data and telephoto communication, as well as remote metering, supervisory control, miscellaneous signaling and channels furnished for the purpose of extending customer-provided communications systems. It includes revenue from the provision of facilities between customer premises and (1) a serving office, (2) a carrier distribution point or (3) an extension distribution channel, except when furnished as a subscriber access line under an unidirectional long distance service (in which case the revenue should be included in account 5111, Long Distance inward-Only Revenue, or account 5112, Long Distance Outward-Only Revenue.

5123. Audio Program Grade Long Distance Private Network Revenue
A. This account consists of revenue from private network circuits and facilities furnished for audio program transmission purposes, such as radio broadcasting, sound recording (wired music) and loud speaker services. It includes revenue from the provision of facilities for the transmission of analog signals between customer premises and (1) a serving office, (2) a carrier distribution point or (3) an extension distribution channel furnished in connection with such services. It also includes revenue from facilities furnished to carry the audio portion of a television program if furnished under separate audio rates.

B. If the rate for television program services includes both the picture and sound portion of the transmission, the revenue shall be included in account 5124, Video Program Grade Long Distance Private Network Revenue.

5124. Video Program Grade Long Distance Private Network Revenue
This account consists of revenue from private network circuits and facilities furnished for television program transmission purposes, such as commercial broadcast and educational or private television services. It includes revenue from the provision of facilities for the transmission of analog signals between customer premises and (1) a serving office, (2) a carrier distribution point or (3) an extension distribution channel furnished in connection with such services. It also includes revenue from both the picture and sound portions of transmission for television program service when provided under a
combined rate schedule.

5125. Digital Transmission Long Distance Private Network Revenue
This account consists of revenue from the provision of circuits and facilities for the transmission of digital signals only.

5126. Long Distance Private Network Switching Revenue
This account consists of revenue derived from the provision of common user channels and switching capabilities used for the transmission of telecommunication signals between three or more points in the network. Also included is revenue derived from the provision of basic switching and transfer arrangements used to connect private line channels.

5128. Other Long Distance Private Network Revenue
This account consists of revenue from administrative and operation support services associated with private network services and facilities, (e.g., charges for company-directed testing, expedited installation, and service restoration priority). Also included is other private network services revenue not provided for in other accounts.

5129. Other Long Distance Private Network Revenue Settlements
This account shall include the charges and credits resulting from contractual revenue pooling and/or sharing agreements for tariffed long distance private network services only when they are not identifiable by private network services revenue account in the settlement process. (See also section 665.5 of this Title.) To the extent that the charges and credits resulting from a settlement process can be identified by private network services revenue account, they shall be recorded in the applicable account.

5160. Other Long Distance Revenue
This account shall include long distance revenues not provided for elsewhere. 5169 Other Long Distance Revenue Settlements
This account shall include the charges and credits resulting from contractual revenue pooling and/or sharing agreements for tariffed long distance public network services only when they are not identifiable by long distance public network services revenue accounts in the settlement process. (See also section 665.5 of this Title.) To the extent that the charges and credits resulting from a settlement process can be identified by long distance public network services revenue account they shall be recorded in the applicable account.

MISCELLANEOUS REVENUES

5230. Directory Revenue
This account shall include revenue derived from alphabetical and classified sections of directories and shall also include fees paid by other entities for the right to publish the company's directories. Items to be included are:

(1) all revenue derived from the classified section of the directories;

(2) revenue from the sale of new telephone directories whether they are the company's own directories or directories purchased from others. This shall also include revenue from the sale of specially bound telephone directories and special telephone directory covers;

(3) amounts charged for additional and boldface listings, marginal displays, inserts, and other advertisements in the alphabetical section of the company's telephone directories; and

(4) charges for unlisted and nonpublished telephone numbers. A subsidiary record category shall be maintained so that these charges may be reported separately.
5240. Rent Revenue
A. This account shall include revenues (including taxes when borne by
the lessee) derived from the rental or subrental to others of
 telecommunications plant furnished apart from telecommunications
 services rendered by the company. It includes revenue from the rent of
 such items as space in conduit, pole line space for attachments, and any
 allowance for return on property used in joint operations and shared
 facilities agreements.
B. The expense of maintaining and operating the rented property,
 including depreciation and insurance, shall be included in the
 appropriate operating expense accounts. Taxes applicable to the rented
 property shall be included by the owner of the rented property in
 appropriate tax accounts.
C. When land or buildings are rented on an incidental basis for
 nontelecommunications use the rental and expenses are included in
 account 7360, Other Nonoperating Income.
5250. Corporate Operations Revenue
This account shall include revenue derived from services rendered to
 other companies under a license agreement, general services contract, or
 other arrangement providing for the furnishing of general accounting,
 financial, legal, patent, and other general services associated with the
 provision of regulated telecommunications services. (See also accounts
 5230, 5270.1 and 5270.2.)
5260. Miscellaneous Revenue
This account number shall be used to summarize for reporting purposes
 the contents of accounts 5261 through 5269.
5261. Special Billing Arrangements Revenue
This account shall include revenue derived from the provision, either
 under tariff or through contractual arrangements, of special billing
 information to customers in the form of magnetic tapes, cards or
 statements. Special billing information provides detail in a format
 and/or at a level of detail not normally provided in the standard
 billing rendered for the regulated telephone services utilized by the
 customer.
5262. Customer Operations Revenue
This account shall include revenue derived from the performance of
 customer operations services for others incident to the company's
 regulated telecommunications operations which are not provided for
 elsewhere. (See also sections 665 and 661.4(e) of this Title.)
5263. Plant Operations Revenue
A. This account shall include revenue derived from contract services
 (plant maintenance) performed for others incident to the company's
 regulated telecommunications operations. This includes revenue from the
 incidental performance of nontariffed operating and maintenance
 activities for others which are similar in nature to those activities
 which are performed by the company in operating and maintaining its own
 telecommunications plant facilities.
B. The records supporting the entries in this account shall be
 maintained with sufficient particularity to identify the revenue and
 associated Plant Specific Operations Expenses related to each
 undertaking.
C. This account does not include revenue related to the performance of
 operation or maintenance activities under a joint operating agreement.
(See also account 5240.)
5264. Other Incidental Regulated Revenue
A. This account shall include the other incidental regulated revenue not provided for in other revenue accounts. Such revenues to be included are:
   (1) collection overages (collection shortages shall be charged to account 6623.2, Customer Services-Billing and Collections;
   (2) unclaimed refunds for telecommunications services when not subject to escheats;
   (3) charges (penalties) imposed by the company for customer checks returned for nonpayment;
   (4) discounts allowed customers for prompt payment;
   (5) late-payment charges;
   (6) revenue from private mobile telephone services which do not have access to the public switched network; and
   (7) other incidental revenue not provided for elsewhere in other revenue accounts including bid revenues associated with mass announcement services.
B. Any definitely known amounts of losses of revenue collections due to fire or theft, (a) at customers' coin-box stations, (b) at public or semipublic telephone stations, (c) in the possession of collectors en route to collection offices, (d) on hand at collection offices, and (e) between collection offices and banks shall be charged to subaccount 6728.5, Other General and Administrative, Miscellaneous.

5269. Other Revenue Settlements
This account shall include the charges and credits resulting from contractual revenue pooling and/or sharing agreements for activities included in the miscellaneous revenue accounts only when they are not identifiable by miscellaneous revenue account in the settlement process. (See also section 665.5 of this Title.) To the extent that the charges and credits resulting from a settlement process can be identified by miscellaneous revenue accounts they shall be recorded in the applicable account.

5270. Interstate Billing and Collection Revenue
This account shall include revenues for federally tariffed charges or charges under contractual arrangements by local exchange carriers to interexchange carriers for billing and/or collecting interstate and international revenues. The charges shall include the custom billing process, account collections, billing information services, account establishment and maintenance and account investigation.

5270.2. Intrastate Billing and Collection Revenue
This account shall include revenues for State tariffed charges or charges under contractual arrangements by local exchange carriers to interexchange carriers for billing and/or collecting intrastate and international revenues. The charges shall include the custom billing process, account collections, billing information services, account establishment and maintenance and account investigation.

5280. Nonregulated Operating Revenue
A. This account shall include revenues derived from a nonregulated activity involving the common or joint use of assets or resources in the provision of regulated and nonregulated products or services which are not provided for elsewhere in this system of accounts.
B. This account shall be debited and regulated revenue accounts shall be credited at tariffed rates when tariffed services are provided to nonregulated activities that are accounted for as prescribed in section
661.14(c).
C. Separate subsidiary record categories shall be maintained for each nonregulated revenue item recorded in this account.

UNCOLLECTIBLE REVENUES

5300. Uncollectible Revenue
This account shall be used to summarize for reporting purposes the contents of accounts 5301 and 5302.

5301. Uncollectible Revenue--Telecommunications
A. This account shall be charged with amounts concurrently credited to account 1180, Telecommunications Accounts Receivable or account 1181, Accounts Receivable Allowance--Telecommunications when such allowance is maintained.
B. The following subaccounts shall be maintained:
   5301.1. Interstate Uncollectible Revenues
   5301.2. Intrastate Uncollectible Revenues
C. Subsidiary records shall be maintained for subaccount 5301.2 in order to segregate uncollectible revenue amounts related to nonregulated activities and transactions with affiliates.

5302. Uncollectible Revenue--Other
A. This account shall be charged with amounts concurrently credited to account 1190.1, Accounts Receivable From Affiliated Companies or 1190.2, Other Accounts Receivable or account 1191, Accounts Receivable Allowance Other and Affiliated, when such allowance is maintained.
B. Subsidiary record categories shall be maintained in order to segregate the amounts herein that relate to affiliates and nonaffiliates.

EXPENSE ACCOUNTS

Plant Specific Operations Expense
6110. Network Support Expenses
6112. Motor Vehicle Expense
6113. Aircraft Expense
6114. Special Purpose Vehicles Expense
6115. Garage Work Equipment Expense
6116. Other Work Equipment Expense
6120. General Support Expenses
6121. Land and Building Expense
6122. Furniture and Artworks Expense
6123. Office Equipment Expense
6124. General Purpose Computers Expense
6210. Central Office Switching Expenses
6211. Analog Electronic Expense
6212. Digital Electronic Expense
6215. Electro-Mechanical Expense
6220. Operator Systems Expense
6230. Central Office Transmission Expenses
6231. Radio Systems Expense
6232. Circuit Equipment Expense
6310. Information Origination/Termination Expenses
6311. Station Apparatus Expense
6321. Customer Premises Wiring Expense
6341. Large Private Branch Exchange Expense
6351. Public Telephone Terminal Equipment Expense
6362. Other Terminal Equipment Expense
6410. Cable and Wire Facilities Expenses
6411. Poles Expense
6421. Aerial Cable Expense
6422. Underground Cable Expense
6423. Buried Cable Expense
6424. Submarine Cable Expense
6425. Deep Sea Cable Expense
6426. Intrabuilding Network Cable Expense
6431. Aerial Wire Expense
6441. Conduit Systems Expense
Plant Nonspecific Operations Expense
6510. Other Property, Plant and Equipment Expenses
6511. Property Held for Future Telecommunications Use Expense
6512. Provisioning Expense
6530. Network Operations Expenses
6531. Power Expense
6532. Network Administration Expense
6533. Testing Expense
6534. Plant Operations Administration Expense
6535. Engineering Expense
6540. Access Expense
6560. Depreciation and Amortization Expenses
6561. Depreciation Expense--Telecommunications Plant in Service
6562. Depreciation Expense--Property Held for Future Telecommunications Use
Telecommunications Use
6563. Amortization Expense--Tangible
6564. Amortization Expense--Intangible
6565. Amortization Expense--Other
Customer Operations Expense
6610. Marketing
6611. Product Management
6612. Sales
6613. Product Advertising
6620. Services
6621. Call Completion Services
6622.1. Number Services--Directory Assistance
6622.2. Number Services--Directory Publishing
6623.1. Customer Services--Service Order Processing and Instruction
6623.2. Customer Services--Billing and Collections
6623.3. Customer Services--Public Telephone Expenses
Corporate Operations Expense
6710. Executive and Planning
6711. Executive
6712. Planning
6720. General and Administrative
6721. Accounting and Finance
6722. External Relations
6723. Human Resources
6724. Information Management
6725. Legal
6726. Procurement
6727. Research and Development
6728. Other General and Administrative
6790. Provision for Uncollectible Notes Receivable

PLANT SPECIFIC OPERATIONS EXPENSE
6110. Network Support Expenses
   A. This account number shall be used by telephone companies to summarize for reporting purposes the contents of accounts 6112 through 6116.
   B. For accounts 6112 through 6116.
      (1) Depreciation expense associated with the corresponding plant accounts shall be charged to account 6561, Depreciation Expense--Telecommunications Plant in Service.
      (2) Insurance premiums paid specifically for protection against loss or damage in connection with construction or removal of telephone plant shall be charged to the appropriate construction account; insurance costs for general and administrative activities shall be charged to account 6728, Other General and Administrative.

6112. Motor Vehicle Expense
   A. This account shall include costs of fuel, lubrication, license and inspection fees, washing, repainting, and minor accessories. Also included are the costs of personnel whose principal job is operating motor vehicles, such as chauffeurs and shuttle bus drivers. The costs of users of motor vehicles whose principal job is not the operation of motor vehicles shall be charged to accounts appropriate for the activities performed.
   B. Credits shall be made to this account for amounts transferred to Construction, to accumulated depreciation accounts for cost of removal, and/or to other Plant Specific Operations Expense accounts. These amounts shall be computed on the basis of direct labor hours. (See also paragraph 666.6 (a) (5) of this Title.)

6113. Aircraft Expense
   A. This account shall include such costs as aircraft fuel, flight crews, mechanics and ground crews, licenses and inspection fees, washing, repainting, and minor accessories.
   B. Credits shall be made to this account for amounts transferred to Construction, to accumulated depreciation accounts for cost of removal, and/or to other Plant Specific Operations Expense accounts. These amounts shall be computed on the basis of direct labor hours. (See also paragraph 666.6 (a) (5) of this Title.)

6114. Special Purpose Vehicles Expense
   A. This account shall include such costs as fuel, licenses and inspection fees, washing, repainting, and minor accessories. The costs of operators of this equipment shall be charged to accounts appropriate for the activities performed.
   B. Credits shall be made to this account for amounts transferred to Construction, to accumulated depreciation accounts for cost of removal, and/or to other Plant Specific Operations Expense accounts. These amounts shall be computed on the basis of direct labor hours. (See also paragraph 666.6 (a) (5) of this Title.)

6115. Garage Work Equipment Expense
   This account shall be charged only with costs incurred in connection with the garage work equipment itself. The costs of using this equipment to maintain motor vehicles, special purpose vehicles, or other work equipment shall be charged to accounts 6112, Motor Vehicle Expense, 6114, Special Purpose Vehicles Expense, or 6116, Other Work Equipment Expense, as appropriate.

6116. Other Work Equipment Expense
   A. This account shall be charged only with costs incurred in
connection with this work equipment itself. The costs of operators of this equipment shall be charged to accounts appropriate for the activities performed.

B. Credits shall be made to this account for amounts transferred to Construction, to accumulated depreciation accounts for cost of removal, and/or to other Plant Specific Operations Expense accounts. These amounts shall be computed on the basis of direct labor hours. (See also paragraph 666.6 (a) (5) of this Title.)

6120. General Support Expenses
This account number shall be used to summarize for reporting purposes the contents of accounts 6121 through 6124.

6121. Land and Building Expense
A. This account shall include expenses associated with land and buildings (excluding amortization of leasehold improvements). This account shall also include janitorial service, cleaning supplies, water, sewage, fuel and guard service, and electrical power.

B. The cost of electrical power used to operate the telecommunications network shall be charged to account 6531, Power Expense, and the cost of separately metered electricity used for operating specific types of equipment, such as computers, shall be charged to the expense account appropriate for such use.

6122. Furniture and Artworks Expense
A. This account shall include expenses associated with furniture and artworks.

B. Expenses of furniture having a specific function or design, so that the original cost is recorded in the Central Office Asset accounts or other Telephone Plant in Service accounts, shall be recorded in the corresponding Plant Specific Operations Expense accounts.

6123. Office Equipment Expense
A. This account shall be charged only with costs incurred in connection with the office equipment itself. The costs of operators of this equipment shall be charged to accounts appropriate for the activities performed.

B. Include in this account expenses associated with company internal use communications equipment.

6124. General Purpose Computers Expense
This account shall include costs of personnel whose principal job is the physical operation of general purpose computers and the maintenance of operating systems. This excludes the cost of preparation of input data or the use of outputs which are chargeable to the accounts appropriate for the activities being performed. Also excluded are costs incurred in planning, developing, testing, implementing, and maintaining data bases and application systems for general purpose computers. (See also account 6724, Information Management.) Separately metered electricity for general purpose computers shall also be included in this account.

6210. Central Office Switching Expenses
This account number shall be used to summarize for reporting purposes the contents of accounts 6211 through 6215.

6211. Analog Electronic Expense
This account shall include expenses associated with analog electronic switching.

6212. Digital Electronic Expense
This account shall include expenses associated with digital electronic
switching.

6215. Electro-Mechanical Expense
A. This account shall include expenses associated with electro-mechanical switching.
B. Subsidiary record categories shall be maintained as provided in account 2215.

6220. Operator Systems Expense
A. This account shall include expenses associated with account 2220, Operator Systems.
B. This account shall include the costs of: routine inspection and maintenance of operator systems equipment; maintenance of operator systems equipment in the course of clearing trouble; and other maintenance of such equipment.
Note: The cost of operators of this equipment shall be charged to the accounts appropriate for the activities performed (see accounts 6621, Call Completion Services; 6622.1, Number Services-Directory Assistance; and 6623.1, Customer Services-Service Order Processing and Instruction; and 6623.2, Customer Services-Billing and Collections.
C. This account shall include the cost of rearrangements and changes of operator systems equipment.
D. This account shall include the cost, including service remuneration charges, of shop repairs and conversions of operator systems central office equipment for reuse; also includes salvage adjustments for credits for material, the salvage value of which cannot be practicably allocated.

6230. Central Office Transmission Expenses
This account number shall be used to summarize for reporting purposes the contents of accounts 6231.1 through 6232.

6231. Radio Systems Expense
A. This account shall include expenses associated with account 2231.
B. The following subaccounts shall be maintained:
   6231.1. Satellite and Earth Station Facilities
   6231.2. Other Radio Facilities

6232. Circuit Equipment Expense
A. This account shall include expenses associated with account 2232.
B. Subsidiary records shall be kept in order that the company may report separately the amounts contained herein that relate to digital and analog.

6310. Information Origination/Termination Expenses
This account number shall be used to summarize for reporting purposes the contents of accounts 6311 through 6362.

6311. Station Apparatus Expense
A. This account shall include expenses associated with station apparatus. Expenses associated with company internal use communication equipment shall be recorded in account 6123, Office Equipment Expense.
B. This account shall include maintenance, installation and removal costs of station apparatus offered under state regulated tariff.
C. Subsidiary records shall be kept to distinguish costs by equipment categories as specified in account 2311.

6321. Customer Premises Wiring Expense
This account shall include the cost of repairing, disconnecting, and reconnecting customer premises wiring included in account 2321.

6341. Large Private Branch Exchange Expense
A. This account shall include maintenance expenses associated with
large private branch exchanges, until such time as the associated asset is transferred out of the regulated accounts.  

B. Expenses associated with company internal use of communication equipment shall be recorded in account 6123, Office Equipment Expense.  

6351. Public Telephone Terminal Equipment Expense  
A. This account shall include expenses associated with public telephone terminal equipment.  
B. The original costs of installing public telephone terminal equipment as well as the installation costs of replacing a public telephone are chargeable to this account. (See account 2351, Public Telephone Terminal Equipment)  

6362. Other Terminal Equipment Expense  
This account shall include expenses associated with other terminal equipment.  

6410. Cable and Wire Facilities Expenses  
This account shall be used to summarize for reporting purposes the contents of accounts 6411 through 6441.  

6411. Poles Expense  
This account shall include expenses associated with poles.  

6421. Aerial Cable Expense  
A. This account shall include expenses associated with aerial cable.  
B. Subsidiary record categories shall be maintained as provided in account 2421.  

6422. Underground Cable Expense  
A. This account shall include expenses associated with underground cable.  
B. Subsidiary record categories shall be maintained as provided in account 2422.  
C. The costs incurred to reconnect, repair, rearrange or replace drop and block wire, including the associated protector, served by either buried cable or underground cable shall be included in account 6423, Buried Cable Expense.  

6423. Buried Cable Expense  
A. This account shall include expenses associated with buried cable.  
B. Subsidiary record categories shall be maintained as provided in account 2423.  
C. This account shall also include the costs incurred to reconnect, repair, rearrange, or replace drop and block wires, including the associate protector, served either by buried cable or underground cable.  

6424. Submarine Cable Expense  
A. This account shall include expenses associated with submarine cable.  
B. Subsidiary record categories shall be maintained as provided in account 2424.  

6425. Deep Sea Cable Expense  
A. This account shall include expenses associated with deep sea cable.  
B. Subsidiary record categories shall be maintained as provided in account 2425.  

6426. Intrabuilding Network Cable Expense  
A. This account shall include expenses associated with intrabuilding network cable.  
B. Subsidiary record categories shall be maintained as provided in account 2426.  

6431. Aerial Wire Expense
A. This account shall include expenses associated with aerial wire.
B. Disconnection, reconnection, repair, rearrangement, or replacement of drop and block wires served by aerial wire, and the plant assignment of those wires, shall be charged to account 6421, Aerial Cable Expense.

6441. Conduit Systems Expense
This account shall include expenses associated with conduit systems.

PLANT NONSPECIFIC OPERATIONS EXPENSE

6510. Other Property, Plant and Equipment Expenses
This account number shall be used by telephone companies to summarize for reporting purposes the contents of accounts 6511 and 6512.

6511. Property Held for Future Telecommunications Use Expense
This account shall include expenses associated with property held for future telecommunications use in account 2002. This account shall not include depreciation or taxes associated with property held for future use. (Note accounts 6562 and 7240.)

6512. Provisioning Expense
A. This account shall include costs incurred in provisioning material and supplies, including office supplies. This includes receiving and stocking, filling reacquisitions from stock, monitoring and replenishing stock levels, delivery of material, storage, loading or unloading and administering the reuse or refurbishment of material. Also included are adjustments resulting from the annual or more frequent inventory of material and supplies.
B. Credits shall be made to this account for amounts transferred to construction, plant specific operations expense and/or accumulated depreciation accounts. These costs are to be cleared by adding to the cost of material and supplies a suitable loading charge. (See also section 666.6 (a) (5) of this Title.)

6530. Network Operations Expenses
This account number shall be used by telephone companies to summarize for reporting purposes the contents of accounts 6531 through 6535.

6531. Power Expense
This account shall include the cost of electrical power used to operate the telecommunications network.
Note: The cost of power produced for house service purposes shall be charged to account 6121, Land and Building Expense.

6532. Network Administration Expense
This account shall include costs incurred in network administration. This includes such activities as controlling traffic flow, administering traffic measuring and monitoring devices, assigning equipment and load balancing, collecting and summarizing traffic data, administering trunking, and assigning interoffice facilities and circuit layout work.

6533. Testing Expense
A. This account shall include costs incurred in testing telecommunications facilities from a testing facility (test desk or other testing system) to determine the condition of plant on either a routine basis or prior to assignment of the facilities; receiving, recording and analyzing trouble reports; testing to determine the nature and location of reported trouble condition; and dispatching repair persons or otherwise initiating corrective action. (Note also section 666.2(c) of this Title.)
B. Subsidiary record categories shall be maintained to distinguish between amounts for the handling of trouble reports and amounts for other maintenance expenses.
6534. Plant Operations Administration Expense
A. This account shall include costs incurred in the general administration of plant operations. This includes supervising plant operations (except as specified in section 666.2 (c) of this Title); planning, coordinating and monitoring plant operations; and performing staff work such as developing methods and procedures, preparing and conducting training (except on-the-job training) and coordinating safety programs. (Note also section 663.3(b) (13) of this Title.)
B. Credits shall be made to this account for amounts transferred to construction and/or accumulated depreciation accounts. These amounts shall be computed on the basis of direct labor hours. (See section 663.3 (b) (2) of this Title.)

6535. Engineering Expense
A. This account shall include costs incurred in the general engineering of the telecommunications plant which are not directly chargeable to an undertaking or project. This includes developing input to the fundamental planning process, performing preliminary work or advance planning in connection with potential undertakings, and performing special studies of an engineering nature.
B. Credits shall be made to this account for amounts transferred to construction and/or accumulated depreciation accounts. These amounts shall be computed on the basis of direct labor hours. (See section 663.3(b) (2) of this Title.)

6540. Access Expense
A. This account shall include amounts paid by interexchange carriers or other exchange carriers to another exchange carrier for the provisions of exchange access services and shall be maintained by the following subaccounts:
   6540.1. Interstate Carrier's Carrier Expense
   6540.2. Intrastate Carrier's Carrier Expense
B. 6540.1. Interstate Carrier's Carrier Expense
   This subaccount shall include the federally tariffed access expenses incurred by the interexchange carriers for access to the local exchange carriers' facilities.
   C. 6540.2. Intrastate Carrier's Carrier Expense
   This subaccount shall include the state tariffed access expenses incurred by the interexchange carriers for access to the local exchange carriers' facilities.
   Note: Carriers are required to maintain supporting documentation in such a manner as to be able to readily identify each tariffed element of interstate and intrastate carrier's carrier expense.

6560. Depreciation and Amortization Expenses
This account shall be used by telephone companies to summarize for reporting purposes the contents of accounts 6561 through 6565.
6561. Depreciation Expense--Telecommunications Plant in Service
A. This account shall include the depreciation expense of capitalized costs in accounts 2112 through 2441, inclusive. The depreciation charges shall be made in accordance with sections 664.1, 664.2, 664.3 and 664.6 of this Title. This account shall also include the amount of amortization of customer premises wiring. (See also paragraph B of account 2321 for amortization program; note accounts 3300 and 7360 for depreciation of nonoperating plant in account 2006.)
B. Subsidiary record categories shall be maintained to distinguish between the amounts for depreciation expense and the unprovided-for-loss
in service value related to extraordinary retirements. (See also account 1438, Deferred Maintenance and Retirements.)

6562. Depreciation Expense--Property Held for Future Telecommunications Use
This account shall include the depreciation expense of capitalized costs included in account 2002, Property Held for Future Telecommunications Use. The depreciation charges shall be made in accordance with sections 664.1, 664.2, 664.3 and 664.6 of this Title.

6563. Amortization Expense--Tangible
A. This account shall include only the amortization of costs included in accounts 2681, Capital Leases, and 2682, Leasehold Improvements. The amortization charges shall be made in accordance with sections 664.5 and 664.6 of this Title. (See also paragraph c of account 2690.)
B. Subsidiary records shall be maintained to distinguish between the costs of leasehold improvements and capital leases; with a further segregation of capital leases by each lease agreement.

6564. Amortization Expense--Intangible
This account shall include the amortization of costs included in account 2690, intangibles. The amortization charges shall be made in accordance with sections 664.5 and 664.6 of this Title. (See also paragraph c of account 2690.)

6565. Amortization Expense--Other
A. This account shall include only the amortization of costs included in account 2005, Telecommunications Plant Adjustment.
B. This account shall also include lump sum write-offs of amounts of plant acquisition adjustment as provided for in paragraph (B)(2)(c) of account 2005.
C. Subsidiary records shall be maintained so as to show the character of the amounts contained in this account in order to include separate identification of each amortization and amount.

CUSTOMER OPERATIONS EXPENSE

6610. Marketing
This account number shall be used by telephone companies to summarize for reporting purposes the contents of accounts 6611 through 6613.

6611. Product Management
This account shall include costs incurred in performing administrative activities related to marketing products and services. This includes competitive analysis, product and service identification and specification, test market planning, demand forecasting, product life cycle analysis, pricing analysis, and identification and establishment of distribution channels.

6612. Sales
This account shall include costs incurred in selling products and services.
This includes determination of individual customer needs, development and presentation of customer proposals, sales order preparation and handling, and preparation of sales records.

6613. Product Advertising
This account shall include costs incurred in developing and implementing promotional strategies to stimulate the purchase of products and services. This excludes nonproduct-related advertising, such as corporate image, stock and bond issue and employment advertisements, which shall be included in the appropriate functional accounts.
Note A: Nonproduct-related corporate advertising shall be charged to account 6722, External Relations.

Note B: Advertising designed to instruct customers in the use of products and services shall be charged to account 6623.1, Customer Services-Service Order Processing and Instruction.

6620. Services

This account number shall be used by telephone companies to summarize for reporting purposes the contents of accounts 6621 through 6623.3.

6621. Call Completion Services

This account shall include costs incurred in helping customers place and complete calls, except directory assistance. This includes handling and recording; intercept; quoting rates, time and charges and all other activities involved in the manual handling of calls.

6622.1. Number Services--Directory Assistance

This account shall include those costs associated with responding to inquiries for customer number and classified listings, handling nonpublished number requests, and processing service orders for preparation of directory assistance operator reference source material. Costs incurred to maintain customer and classified listings shall be charged to account 6622.2, Number Services--Directory Publishing.

6622.2. Number Services--Directory Publishing

This account shall include costs incurred in preparing, printing, binding and distributing white and yellow page directories as well as the cost of securing advertisements for directories. It shall also include the cost of directories purchased from other companies.

Note: This account shall be credited with amounts received as salvage on old directories.

6623.1. Customer Services--Service Order Processing and Instruction

This account shall include costs incurred in preparing, changing, and handling contract or service orders, establishing customer accounts, and handling miscellaneous commercial relations with customers. It shall also include costs incurred in instructing customers in the use of products and services. This includes both verbal instruction and the cost of informational advertising and/or production of written materials whose objective is to instruct customers in the most efficient and safe use of products and services.

6623.2. Customer Services--Billing and Collections

A. This account shall be maintained by the following subaccounts:

6623.20. Billing and Collections--Customer

6623.21. Billing and Collections--Interstate Carriers

6623.22. Billing and Collections--Intrastate Carriers

B. This account shall include costs incurred in maintaining and billing customer accounts including investigating customer accounts, collecting revenues, reporting receipts, administering collection treatment, and handling contacts with customers regarding adjustments of bills. This account also includes costs associated with receiving and editing of service orders and basic service and equipment billing data and maintaining, correcting and verifying record data. This account shall also include collection shortages. (See account 5264, Other Incidental Regulated Revenue.)

C. This account shall also include amounts paid by interexchange carriers or other exchange carriers to another exchange carrier for billing and collection services.

Note: Preparation of input data associated with automated customer
record files and key entry of such data shall be charged to this account. The costs incurred in planning, developing, testing, implementing, and maintaining data bases and the application systems for billing customer accounts are to be recorded in account 6724, Information Management.

6623.3. Customer Services--Public Telephone Expenses
This account shall include costs incurred in collecting and reporting pay station receipts. This account shall also include amounts paid to owners or tenants of premises where public and semipublic telephone stations are located, as general compensation for occupancy privileges. (Note section 665.5 and subaccount 6728.5, Other General and Administrative--Miscellaneous.)

CORPORATE OPERATIONS EXPENSE

6710. Executive and Planning
This account shall be used by telephone companies to summarize for reporting purposes the contents of accounts 6711 through 6712.

6711. Executive
This account shall include costs incurred in formulating corporate policy and in providing overall administration and management. Included are the pay, fees and expenses of boards of directors or similar policy boards and all board-designated officers of the company and their office staffs, e.g., secretaries and staff assistants.

6712. Planning
This account shall include costs incurred in developing and evaluating long-term courses of action for the future operations of the company. This includes performing corporate organization and integrated long-range planning, including management studies, options and contingency plans, and economic strategic analysis.

6720. General and Administrative
This account shall be used by telephone companies to summarize for reporting purposes the contents of accounts 6721 through 6728.

6721. Accounting and Finance
This account shall include costs incurred in providing accounting and financial services. Accounting services include payroll and disbursements, property accounting, capital recovery, regulatory accounting (revenue requirements, separations, settlements and corollary cost accounting), noncustomer billing, tax accounting, internal and external auditing, capital and operating budget analysis and control, and general accounting (accounting principles and procedures and journals, ledgers and financial reports). Financial services include banking operations, cash management, benefit investment, fund management (including actuarial services), securities management, debt trust administration, corporate financial planning and analysis, and internal cashier services.

6722. External Relations
A. This account shall include costs incurred in maintaining relations with government, regulators, other companies and the general public. This includes:
   (1) reviewing existing or pending legislation (See also account 7370, Special Charges, for lobbying expenses);
   (2) preparing and presenting information for regulatory purposes, including tariff and service cost filings, and obtaining construction permits;
   (3) performing public relations and nonproduct-related corporate image
advertising activities;

(4) administering relations, including negotiating contracts with telecommunications companies and other utilities, businesses and industries. (See also account 6725, Legal.) This excludes sales contracts (see also account 6612, Sales); and

(5) administering investor relations.

B. Subsidiary record categories shall be maintained in order that the company may separately report the amounts contained herein that relate to public relations and corporate image advertising.

6723. Human Resources

A. This account shall include costs incurred in performing personnel administration activities. This includes:

(1) equal Employment Opportunity and Affirmative Action Programs;

(2) employee data for forecasting, planning and reporting;

(3) general employment services;

(4) occupational medical services;

(5) job analysis and salary programs;

(6) labor relations activities;

(7) personnel development and staffing services, including counseling, career planning, promotion and transfer programs;

(8) personnel policy development;

(9) employee communications;

(10) benefit administration;

(11) employee activity programs;

(12) employee safety programs; and

(13) nontechnical training course development and presentation.

B. The company shall maintain subsidiary record categories in order that the amounts contained herein relating to benefit administration, labor relations and training activities may be separately reported.

6724. Information Management

This account shall include costs incurred in planning, developing, testing, implementing and maintaining data bases and application systems for general purpose computers.

Note: Input preparation and output use are chargeable to the benefited activity and not to account 6724. (See also account 6124, General Purpose Computers Expense and account 8310, Software Expense.)

6725. Legal

This account shall include costs incurred in providing legal services. This includes conducting and coordinating litigation, providing guidance on regulatory and labor matters, preparing, reviewing and filing patents and contracts and interpreting legislation. Also included are court costs, filing fees, and the costs of outside counsel, depositions, transcripts and witnesses.

6726. Procurement

This account shall include costs incurred in procuring material and supplies, including office supplies. This includes analyzing and evaluating suppliers' products, selecting appropriate suppliers, negotiating supply contracts, placing purchase orders, expediting and controlling orders placed for material, developing standards for material purchased and administering vendor or user claims.

6727. Research and Development

A. This account shall include costs incurred in making planned search or critical investigation aimed at discovery of new knowledge. It also includes translating research findings into a plan or design for a new
product or process or for a significant improvement to an existing product or process, whether intended for sale or use.

B. This excludes making routine alterations to existing products, processes, and other ongoing operations even though those alterations may represent improvements.

6728. Other General and Administrative

A. This account shall include costs incurred in performing general administrative activities not directly charged to the user, and not provided for in other accounts. It excludes the cost of office services, which are to be included in the accounts appropriate for the activities supported. This account shall be maintained according to the following subaccounts:

6728.1. Accidents and Damages
6728.2. Insurance
6728.3. Benefit Payments
6728.4. Support Services
6728.5. Miscellaneous

B. 6728.1. Accidents and Damages

This subaccount includes payments in settlement of accident and damage claims, not provided for elsewhere, arising from injury or death of individuals or damage to property, in connection with the company's telecommunications operations. (See section 666.6(4) of this Title.)

C. 6728.2. Insurance

This subaccount shall include insurance premiums and other costs associated with securing protection against losses and damages arising from the company's telecommunications operations which are not chargeable elsewhere. (See section 666.6 (4) of this Title.)

D. 6728.3. Benefit Payments

This subaccount shall include direct benefit payments to or on behalf of retired and separated employees, accident and sickness disability payments, supplemental payments to employees while in governmental service, and death benefit payments.

E. 6728.4. Support Services

This subaccount shall include costs incurred in providing general reference libraries, food services (e.g., cafeterias, lunch rooms and vending facilities), archive, general security investigation services, internal company communications systems and mail and distribution services.

F. 6728.5. Miscellaneous

(1) This subaccount shall include definitely known amounts of losses of revenue collections due to fire and theft, (a) at customers coin-box stations, (b) at public or semipublic telephone stations, (c) in the possession of collectors en route to collection offices, (d) on hand at collection offices, and (e) between collection offices and banks. (See account 5264, Other incidental Regulated Revenue.)

(2) This subaccount shall include the cost of all services, plant, material and supplies and similar items furnished to municipalities or other governmental authorities in compliance with franchises, ordinances or similar requirements for which no reimbursement is received. This subaccount shall also include amounts paid for franchises whose term is one year or less. (See account 2690, intangibles; account 6564, Amortization Expense intangible.)

(3) This subaccount shall include charges for amortization of deferred equal access costs.
This subaccount shall include all operating expenses not chargeable elsewhere.

6790. Provision for Uncollectible Notes Receivable

A. This account shall be charged with amounts concurrently credited to account 1200.1, Notes Receivable and Affiliated Companies, 1200.2, Other Notes Receivable, or to account 1201, Notes Receivable Allowance--Other and Affiliated, when such allowance is maintained.

B. Subsidiary record categories shall be maintained in order that the entity may separately report the amounts contained herein that relate to affiliates and nonaffiliates.

**OTHER INCOME ACCOUNTS**

Other Operating Income and Expense
7100. Other Operating Income and Expenses
7110. Income from Custom Work
7130. Return from Nonregulated Use of Regulated Facilities
7140. Gains and Losses from Foreign Exchange
7150. Gains or Losses from Disposition of Land and Artworks
7160. Other Operating Gains and Losses

Operating Taxes
7200. Operating Taxes
7210. Operating Investment Tax Credits--Net
7220. Operating Federal Income Taxes
7230. Operating State and Local Insurance Taxes
7240. Operating Other Taxes
7250. Provision for Deferred Operating Income Taxes--Net

Nonoperating Income and Expense
7300. Nonoperating Income and Expense
7310. Dividend Income
7320. Interest Income
7330. Income from Sinking and Other Funds
7340. Allowance for Funds Used During Construction
7350. Gains or Losses from the Disposition of Certain Property
7355. Equity in Earnings of Affiliated Companies
7360. Other Nonoperating Income
7370. Special Charges

Nonoperating Taxes
7400. Nonoperating Taxes
7410. Nonoperating Investment Tax Credits--Net
7420. Nonoperating Federal Income Taxes
7430. Nonoperating State and Local Income Taxes
7440. Nonoperating Other Taxes
7450. Provision for Deferred Nonoperating Income Taxes--Net

Interest and Related Items
7500. Interest and Related Items
7510.1. Interest on Funded Debt
7510.2. Amortization of Discount on Long-Term Debt
7510.3. Amortization of Premium on Long-Term Debt--Credit
7520. Interest Expense--Capital Leases
7530. Amortization of Debt Issuance Expense
7540.1. Other Interest Deductions--Affiliated Companies
7540.2. Other Interest Deductions

Extraordinary Items
7600. Extraordinary Items
7610. Extraordinary Income Credits
7620. Extraordinary Income Charges
7630. Current Income Tax Effect of Extraordinary Items--Net
7640. Provision for Deferred Income Tax Effect of Extraordinary Items--Net
Jurisdictional Differences and Nonregulated Income Items
7910. Income Effect of Jurisdictional Ratemaking Differences--Net
7990. Nonregulated Net Income
7991. Other Nonregulated Revenues

OTHER OPERATING INCOME AND EXPENSE ACCOUNTS

Content of Accounts: Other Operating income and Expense accounts are intended to record the results of transactions, events or circumstances during the periods which are incidental or peripheral to the major or central operations of the company. They shall include all items of an operating nature as incidental work performed for others not provided for elsewhere. Whenever practicable the inflows and outflows associated with a transaction, event or circumstance shall be matched and the result shown as a net gain or loss.

7100. Other Operating Income and Expenses
This account number shall be used by telephone companies to summarize for reporting purposes the contents of accounts 7110 through 7160.
7110. Income from Custom Work
A. This account shall include profits realized from custom work (plant construction) performed for others incident to the company's regulated telecommunications operations. This includes profits from the incidental performance of nontariffed construction activities (including associated engineering and design) for others which are similar in nature to those activities which are performed by the company in constructing its own telecommunications plant facilities.
B. The records supporting the entries in this account shall be maintained with sufficient particularity to identify separately the revenue and costs associated with each undertaking.
7130. Return from Nonregulated Use of Regulated Facilities
This account shall include a return on investment for the use of regulated property plant and equipment to provide nonregulated products and services.
7140. Gains and Losses from Foreign Exchange
This account shall include all gains and losses resulting from the exchange of foreign currency. Transaction (realized) gains or losses shall be measured based on the exchange rate in effect on the transactions date. Unrealized gains or losses shall be measured based on the exchange rate in effect at the balance sheet date.
7150. Gains or Losses from the Disposition of Land and Artworks
This account shall include gains or losses resulting from the disposition of land or artworks. (Note also section 663.5(d) (2) of this Title.)
7160. Other Operating Gains and Losses
This account shall be charged or credited, as appropriate, to record the results of transactions, events or circumstances which are of an operational nature, but occur irregularly or are peripheral to the major or central operations of the company and not provided for elsewhere.

OPERATING TAX ACCOUNTS

Content of Accounts
The Operating Tax accounts shall include the taxes arising from the central operations of the company.
7200. Operating Taxes

This account number shall be used by telephone companies to summarize for reporting purposes the contents of accounts 7210 through 7250.

7210. Operating Investment Tax Credits--Net

A. This account shall be charged and account 4320, Unamortized Operating Investment Tax Credits--Net, shall be credited with investment tax credits generated from qualified expenditures related to regulated operations which the company defers rather than recognizes currently in income.

B. This account shall be credited and account 4320 shall be charged ratably with the amortization of each year's investment tax credits included in account 4320 for investment services for ratemaking purposes. (See also account 7410, Nonoperating Investment Tax Credits--Net.) Such amortization shall be determined in relation to the period of time used for computing book depreciation on the property with respect to which the tax credits relate.

7220. Operating Federal Income Taxes

A. This account shall be charged and account 4070, Income Taxes--Accrued, shall be credited for the amount of Federal Income Taxes for the current period. This account shall also reflect subsequent adjustments to amounts previously charged.

B. Taxes should be accrued each month on an estimated basis and adjustments made as later data becomes available.

C. Tax credits, other than investment tax credits, if normalized, shall be recorded consistent with the accounting for investment tax credits and shall be amortized to income as directed by this commission.

D. No entries shall be made to this account to reflect interperiod tax allocations.

7230. Operating State and Local Income Taxes

A. This account shall be charged and account 4070, Income Taxes--Accrued, shall be credited for the amount of State and local income taxes for the current period. This account shall also reflect subsequent adjustments to amounts previously charged.

B. Taxes should be accrued each month on an estimated basis and adjustments made as later data becomes available.

C. No entries shall be made to this account to reflect interperiod tax allocations.

7240. Operating Other Taxes

A. This account shall be charged and account 4080, Other Taxes--Accrued, shall be credited for all taxes, other than Federal, State and local income taxes and payroll-related taxes, related to regulated operations applicable to current periods. Among the items includable in this account are property, gross receipts, franchise and capital stock taxes; this account shall also reflect subsequent adjustments to amounts previously charged. (Note section 663.3 (b) (8).)

B. Taxes on telephone plant leased to others shall be included in this account by the owner. (Note also paragraph H of this account.)

C. Special assessments for street and other improvements and special benefit taxes, such as water taxes and the like, shall be included in the operating expense accounts or investment accounts, as may be appropriate.

D. Discounts allowed for prompt payment of taxes shall be credited to the account to which the taxes are chargeable.

E. Interest on tax assessments which are not paid when due shall be
included in account 7540.1, Other Interest Deductions-Affiliated Companies or account 7540.2, Other Interest Deductions.

F. Taxes paid by the company under tax-free covenants on indebtedness shall be charged to account 7360, Other Nonoperating Income.

G. Sales and use taxes shall be accounted for, so far as practicable, as part of the cost of the items to which the taxes relate.

H. Taxes on rented telecommunications plant which are borne by the lessee shall be credited by the owner to account 5240, Rent Revenue, and shall be charged by the lessee to the appropriate Plant Specific Operations Expense account.

7250. Provision for Deferred Operating Income Taxes Net
A. This account shall be charged or credited, as appropriate, with contra entries recorded to the following accounts for operating income tax expense that has been deferred in accordance with section 661.13.

1360 Current Deferred Income Taxes--Dr
1510 Noncurrent Deferred Income Taxes--Dr
4100 Current Deferred Operating Income Taxes--Cr
4340 Noncurrent Deferred Operating Income Taxes--Cr

B. This account shall be maintained by the following subaccounts:
7250.1. Provision for Deferred Operating Income Taxes--Dr
This account shall include debit amounts of any current deferrals of taxes on income applicable to utility operating income.
7250.2. Provision for Deferred Operating Income Taxes--Cr
This account shall include the credit amounts of any current deferrals of taxes on income applicable to utility operating income.
7250.3. Income Credits and Charges Resulting from Prior Deferrals of Income Taxes
This account shall include the credits and charges, as appropriate, for amounts of taxes from differentials applicable to the current period resulting from deferral of income taxes in prior years as authorized by this commission.

C. Subsidiary record categories shall be maintained to distinguish between property- and nonproperty-related deferrals so that the company may separately report the amounts contained herein that relate to Federal, State and local income taxes.

NONOPERATING INCOME AND EXPENSE ACCOUNTS
Content of Accounts

The nonoperating income and expense accounts are intended to record the results of transactions, events and circumstances affecting the company during a period, and which are not operational in nature. They shall include such items as nonoperating taxes, dividend income and interest income. Whenever practicable the inflows and outflows associated with a transaction or event shall be matched and the result shown as a net gain or loss.

7300. Nonoperating Income and Expense
This account number shall be used by telephone companies to summarize for reporting purposes the contents of accounts 7310 through 7370.

7310. Dividend income
A. This account shall include dividends on investments in common and preferred stock, which is the property of the company, whether such stock is owned by the company and held in its treasury, or deposited in trust (except in sinking or other funds, see paragraph C of this account), or otherwise controlled.

B. These accounts shall not include dividends or other returns on
securities issued or assumed by the company and held by or for it, whether pledged as collateral, or held in its treasury, in special deposits, or in sinking or other funds.

C. Dividends on stocks of other companies held in sinking or other funds shall be credited to account 7330, Income from Sinking and Other Funds.

D. Dividends received and receivable from affiliated companies accounted for on the equity method shall be included in account 1401.1, Investments in Affiliated Companies, as a reduction of the carrying value of the investments.

7320. Interest Income

A. This account shall include interest on securities, including notes and other evidences of indebtedness, which are the property of the company, whether such securities are owned by the company and held in its treasury, or deposited in trust (except in sinking or other funds, see Note B to this account) or otherwise controlled. It shall also include interest on bank balances, certificates of deposits, open accounts, and other analogous items.

B. There shall be included in this account for each month the applicable amount requisite to extinguish, during the interval between the date of acquisition and date of maturity, the difference between the purchase price and the par value of securities owned, the income from which is includable in this account. Amounts thus credited or charged shall be concurrently included in the accounts in which the securities are carried. Any such difference remaining unextinguished at the sale or upon the maturity and satisfaction of such securities shall be cleared to account 7360, Other Nonoperating Income.

C. These accounts shall not include interest or other returns on securities issued or assumed by the company and held by or for it, whether pledged as collateral, or held in its treasury, in special deposits, or in sinking or other funds.

D. Interest on cash and on securities issued by others shall be included in account 7330, Income from Sinking and Other Funds, when such assets are held in sinking or other funds.

E. Cash discounts on bills for material purchased shall not be included in this account.

7330. Income from Sinking and Other Funds

A. This account shall include the income accrued on cash, securities issued by other companies, and other assets (not including securities issued or assumed by the company) held in sinking and other funds.

B. There shall be included in this account for each month the applicable amount requisite to extinguish, during the interval between the date of acquisition and the date of maturity, the difference between the purchase price and the par value of securities held in sinking or other funds. Amounts thus credited or charged shall be concurrently included in the accounts in which the securities are carried. Any such differences remaining unextinguished upon the maturity and satisfaction of such securities shall be cleared to account 7360, Other Nonoperating Income.

7340. Allowance for Funds Used During Construction

This account shall be credited with such amounts as are charged to the telecommunications plant accounts for the purpose of recording an allowance for funds used for construction purposes. (Note also section 663.3, subdivision (b) (10) of this Title.)
7350. Gains or Losses from the Disposition of Certain Property
This account shall include gains or losses resulting from the
disposition of the following (note also section 663.5(d) (2), (e) of
this Title).
(1) gains or losses from the disposition of land or artworks;
(2) gains or loss from the disposition of plant with traffic; and
(3) gains or losses from the disposition of nonoperating
telecommunications plant not previously used in the provision of
telecommunications services.

7355. Equity in Earnings of Affiliated Companies
This account shall include the company's equity in the earnings or
losses of affiliated companies accounted for under the equity method.

7360. Other Nonoperating Income
A. This account shall include all other items of income and gains or
losses from activities not specifically provided for elsewhere.
B. This account shall include representative items as follows:
(1) fees collected in connection with the exchange of coupon bonds for
registered bonds;
(2) gains or losses realized on the sale of temporary cash investments
or marketable equity securities;
(3) uncollectible amounts previously credited to accounts 7310 through
7350, inclusive;
(4) net unrealized losses on investments in current marketable equity
securities;
(5) write-downs or write-offs of the book costs of investment in
equity securities due to permanent impairment;
(6) gains or losses of nonoperating nature arising from foreign
currency exchange or translation;
(7) gains or losses from the extinguishment of debt made to satisfy
sinking fund requirements;
(8) amortization of goodwill; and
(9) the net balance of the revenue from and the expenses (including
depreciation, amortization and insurance) of property plant, and
equipment, the cost of which is includable in account 2006, Nonoperating
Plant.

7370. Special Charges
This account shall include the following costs that are typically
given special regulatory scrutiny for ratemaking purposes. Unless
specific justification to the contrary is given, such costs are presumed
to be excluded from the cost of service in setting rates. Subsidiary
record categories shall be maintained for each of the items enumerated
below.
(1) Lobbying includes 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. This also includes advertising,
gifts, honoraria, and political contributions. This does not include
such expenditures which are directly related to communications with and
appearances before regulatory or other governmental bodies in connection
with the reporting utility's existing or proposed operations.
(2) Contributions for charitable, social or community welfare purposes.
(3) Membership fees and dues in social, service and recreational or athletic clubs and organizations.
(4) Penalties and fines paid on account of violations of statutes. This account shall also include penalties and fines paid on account of violations of U.S. statutes, including judgments arising from a violation of antitrust laws, and payments in settlement of civil and criminal suits alleging such violations.
(5) Abandoned construction projects.

**NONOPERATING TAX ACCOUNTS**

**Content of Accounts**

The Nonoperating Tax accounts shall include taxes arising from activities which are not a part of the central operations of the entity.

- **7400. Nonoperating Taxes**
  This account number shall be used by telephone companies to summarize for reporting purposes the contents of accounts 7410 through 7450.

- **7410. Nonoperating Investment Tax Credits--Net**
  A. This account shall be charged and account 4330, Unamortized Nonoperating Investment Tax Credits--Net, shall be credited with investment tax credits generated from qualified expenditures related to other operations which the company has elected to defer rather than recognize currently in income.
  B. This account shall be credited and account 4330 shall be charged with the amortization of each year's investment tax credits included in such accounts relating to amortization of previously deferred investment tax credits of other property or regulated property, the amortization of which does not serve to reduce costs of service (but the unamortized balance does reduce rate base) for ratemaking purposes. Such amortization shall be determined with reference to the period of time used for computing book depreciation on the property with respect to which the tax credits relate.

- **7420. Nonoperating Federal Income Taxes**
  A. This account shall be charged and account 4070, Income Taxes--Accrued, shall be credited for the amount of nonoperating Federal income taxes for the current period. This account shall also reflect subsequent adjustments to amounts previously charged.
  B. Taxes shall be accrued each month on an estimated basis and adjustments made as later data becomes available.
  C. Companies that adopt the flow-through methods of accounting for investment tax credits shall reduce the calculated provision in this account by the entire amount of the credit realized during the year. Tax credits, other than investment tax credits, if normalized, shall be recorded consistent with the accounting for investment tax credits.
  D. No entries shall be made to this account to reflect interperiod tax allocation.

- **7430. Nonoperating State and Local Income Taxes**
  A. This account shall be charged and account 4070, Income Taxes--Accrued, shall be credited for the amount of State and local income taxes for the current period. This account shall also reflect subsequent adjustments to amounts previously charged.
  B. Taxes shall be accrued each month on an estimated basis and adjustments made as later data becomes available.
  C. No entries shall be made to this account to reflect interperiod tax allocation.
7440. Nonoperating Other Taxes

This account shall be charged and account 4080, Other Taxes--Accrued, shall be credited for all nonoperating taxes, other than Federal, State and local income taxes, and payroll-related taxes for the current period. Among the items includable in this account are property, gross receipts, franchise, capital stock taxes and taxes related to property, plant and equipment in account 2006, Nonoperating Plant. (See also section 663.3(b) (8) of this Title.) This account shall also reflect subsequent adjustments to amounts previously charged.

7450. Provision for Deferred Nonoperating Income Taxes--Net
A. This account shall be charged or credited, as appropriate, with contra entries recorded to the following accounts for nonoperating tax expense that has been deferred in accordance with section 661.13 of this Title.
   1360. Current Deferred Income Taxes--Dr
   1510. Noncurrent Deferred Income Taxes--Dr
   4110. Current Deferred Nonoperating Income Taxes--Cr
   4350. Noncurrent Deferred Nonoperating Income Taxes--Cr
B. Subsidiary record categories shall be maintained to distinguish between property- and nonproperty-related deferrals and so that the company may separately report the amounts contained herein that relate to Federal, State and local income taxes.

INTEREST AND RELATED ITEMS

Content of Accounts: Interest and related amounts shall be included in accounts 7510.1 through 7540.2.

7500. Interest and Related Items
This account number shall be used by telephone companies to summarize for reporting purposes the contents of accounts 7510.1 through 7540.2.

7510.1. Interest on Funded Debt
A. This account shall include the current accruals of interest on all classes of debt the principal of which is includable in account 4210, Funded Debt. It shall also include the interest on funded debt the maturity of which has been extended by specific agreement. (Note also section 663.3 (b) (10) of this Title.)
B. This account shall be kept so that the interest on each class of funded debt may be shown separately in the annual reports to this commission.
C. These accounts shall not include charges for interest on funded debt issued or assumed by the company and held by or for it, whether pledged as collateral or held in its treasury, in special deposits or in sinking or other funds.
D. Interest expressly provided for and included in the face amount of securities issued shall be charged at the time of issuance to account 1330, Other Prepayments, and cleared to this account as the term expires to which the interest applies.

7510.2. Amortization of Discount on Long-Term Debt
This account shall include monthly amortization of balances in account 4230, Discount on Long-Term Debt.

7510.3. Amortization of Premium on Long-Term Debt--Credit
This account shall include monthly amortization of balances in account 4220, Premium on Long-Term Debt.

7520. Interest Expense--Capital Leases
This account shall include the interest portion of each capital lease
payment.

7530. Amortization of Debt Issuance Expense
This account shall include the monthly amortization of the balances in account 1407, Unamortized Debt Issuance Expense.

7540.1. Other Interest Deductions--Affiliated Companies
This account shall include interest on advances from affiliated companies.

7540.2. Other Interest Deductions
A. This account shall include all interest deductions not provided for elsewhere. (Note also section 663.3 (b) (10) of this Title.)
B. A list of representative items of indebtedness, the interest on which is chargeable to this account, follows:
   (1) advances from nonaffiliated companies and other liabilities;
   (2) assessments for public improvements past due;
   (3) bond coupons, matured and unpaid;
   (4) claims and judgments;
   (5) customers' deposits;
   (6) funded debt mature, with respect to which a definite agreement as to extension has not been made;
   (7) notes payable on demand or maturing one year or less from date of issue;
   (8) open accounts;
   (9) tax assessments, past due; and
   (10) discount, premium, and issuance expense of notes maturing one year or less from date of issue.
C. Interest payable on notes or other evidences of indebtedness maturing serially shall be charged to account 7510.1, Interest on Funded Debt, if any portion of the obligation matures more than one year from date of issue.

EXTRAORDINARY ITEMS
Content of Accounts
These accounts are intended to segregate the effects of events or transactions that are extraordinary. Extraordinary events and transactions are distinguished by both their unusual nature and by the infrequency of their occurrence, taking into account the environment in which the company operates. These accounts shall also include the related income tax effect of the extraordinary items.

7600. Extraordinary Items
This account number shall be used by telephone companies to summarize for reporting purposes the contents of accounts 7610 through 7640.

7610. Extraordinary Income Credits
This account shall be credited with nontypical, noncustomary and infrequently recurring gains which would significantly distort the current year's income computed before such extraordinary items, if reported other than as extraordinary items. Income tax relating to the amounts recorded in this account shall be recorded in account 7630, Current Income Tax Effect of Extraordinary Items--Net, and account 7640, Provision for Deferred Income Tax Effect of Extraordinary Items--Net.

7620. Extraordinary Income Charges
This account shall be debited with nontypical, noncustomary and infrequently recurring losses which would significantly distort the current year's income computed before such extraordinary items, if reported other than as extraordinary items. Income tax relating to the amounts recorded in this account shall be recorded in account 7630,
Current Income Tax Effect of Extraordinary Items--Net, and account 7640,

7630. Current Income Tax Effect of Extraordinary Items--Net
This account shall be charged or credited and account 4070, Income
Taxes--Accrued, shall be credited or charged for all current income tax
effects (Federal, State and local) of items included in accounts 7610,
Extraordinary Income Credits, and 7620, Extraordinary Income Charges.
The records supporting the entries in this account shall be maintained
with sufficient particularity to identify each amount included herein
with the extraordinary item to which it is attributable.

7640. Provision for Deferred Income Tax Effect of Extraordinary
Items--Net
This account shall be charged or credited, as appropriate, with a
contra amount recorded to account 1510, Noncurrent Deferred Income
Taxes--Dr, account 1360, Current Deferred Income Taxes--Dr, account
4350, Noncurrent Deferred Nonoperating Income Taxes--Cr, or account
4110, Current Deferred Nonoperating Income Taxes--Cr, for the income tax
effects (Federal, State and local) of items included in accounts 7610,
Extraordinary Income Credits, and 7620, Extraordinary Income Charges,
that have been deferred in accordance with section 661.13. The records
supporting the entries in this account shall be maintained with
sufficient particularity to identify each amount included herein with
the extraordinary item to which it is attributable.

JURISDICTIONAL DIFFERENCES AND NONREGULATED INCOME ACCOUNTS

Content of Accounts
Jurisdictional differences and nonregulated income amounts shall be
included in accounts 7910 and 7990.

7910. Income Effect of Jurisdictional Ratemaking Differences--Net
This account shall include the impact on revenues and expenses of the
jurisdictional ratemaking practices which vary from those of this
commission. All entries recorded in this account shall be recorded net
of the applicable income tax effects and shall be supported by
appropriate subsidiary records, where necessary, as provided for in
section 661.3(e) of this Title.

7990. Nonregulated Net Income
A. This account shall be used by those companies who offer
nonregulated activities that do not involve the joint or common use of
assets or resources used in the provision of both regulated and
nonregulated products and services, and which have not established a
separate subsidiary for that purpose.

B. All revenue and expenses (including taxes) incurred in these
nonregulated activities shall be recorded on separate books of account
for such operations. Only the net of the total revenues and total
expenses shall be recorded in this account, with a contra debit or
credit to subaccount 1406.3.

CLEARING ACCOUNTS

8310. Software expense
A. The original cost of initial operating systems software, including
right to use fees, (either general purpose computers software, specific
purpose computers software or central office equipment software) shall
first be charged to this account and then cleared to either account
2124, General Purpose Computers, or the appropriate switching, network
signaling, network operations or other specific telecommunications plant
account.
B. The original cost of all other software (i.e., that which is not considered initial operating system software) shall first be recorded in this account. The disposition of this software shall be determined by management and shall be in conformance with generally accepted accounting principles at the time such determination is made.

C. Additions or modifications to general purpose computers software, previously capitalized in accordance with section 664.7, shall first be charged to this account then cleared to account 6124, General Purpose Computers Expense, or account 6724, Information Management.

D. Additions or modifications to central office equipment software previously capitalized shall first be charged to this account and then cleared to the related plant specific operating expense account.

E. Additions or modifications to specific purpose computers software previously capitalized shall first be charged to this account, then cleared to the corresponding operating expense account. (For example, the cost of a modification to the software of a computer used for the monitoring and regulation of a building's temperature will be recorded in account 6121, Land and Building Expense.)

F. Subsidiary record categories are to be maintained in accordance with section 661.2(c) and section 661.3(e) of this Title.

   RETIREMENT UNITS LIST
   GENERAL SUPPORT ASSETS

   2112. MOTOR VEHICLES
   2113. AIRCRAFT
   2114. SPECIAL PURPOSE VEHICLES
   2115. GARAGE WORK EQUIPMENT
   2116. OTHER WORK EQUIPMENT

   Each complete item of equipment, the original cost of which was charged to the appropriate plant account, such as:

   A passenger automobile or truck with or without body; an airplane; a boat or snowmobile; an air compressor, car hoist or gasoline pump; a pole derrick, power winch, earth boring machine or trailer.

   2121. BUILDINGS

   A complete building

   An entire roof with or without supporting members

   Note A: A building of irregular shape having more than one roof level may have several isolated roofs, each of which shall be considered an entire roof. In the case of buildings to which lateral extensions have been made, even though having but one roof level, that part of the roof covering an entire section built at one time shall be considered an entire roof.

   An complete fire escape

   A complete window (i.e., box frame, and sash)

   A boiler, furnace, or hot-water heater

   An elevator complete with operating mechanism

   A gas-burner system

   A house-lighting or power board

   An oil-burner system

   An oil tank

   The floor covering for one room

   A motor, generator, engine, turbine, pump, compressor, ventilating fan, air washer, elevator drum, or similar items of equipment, with or without associated wiring, control equipment, etc.

   A self-supporting structure used to support antennae
Note B: In addition to the above retirement units, material (i.e., portions of buildings, equipment, fixtures, etc.) installed and retired, and the labor and incidental costs involved in connection with work of the following character, shall be handled through the telephone plant and depreciation reserve accounts.

(1) Changes in type of operation of elevator systems, e.g., a change from manual to signal control of cars, from manual to power operation of doors from low speed to high speed, from direct to alternating current, from hydraulic to electric operation, from one type of signaling or dispatching system to another

(2) Relocations of toilet rooms, battery rooms, kitchens, terminal rooms, machine rooms, transformer vaults, etc.

(3) Structural changes such as:
   (a) Reinforcements of floors, roofs, bearing walls, footings, and foundations
   (b) Additions or relocations of elevator shafts, stairways, fire exits and vaults, but excluding switchboard cable holes and slots
   (c) Building alterations required for fire protection and other safety measures

(4) Changes in the type of electric current supply, or of ventilating, air conditioning, or similar systems

(5) Building enlargements

(6) Replacements of the following character
   (a) Replacements of plumbing or heating pipes (with or without associated valves) except when necessitated by minor repairs or minor relocations of fixtures
   (b) Replacements of all or substantially all of the lighting fixtures (with or without associated wiring and conduit) in one operating or equipment room or, in the case of office space, on one floor of a building
   (c) General replacements (throughout a building or throughout an entire portion erected at one time) of items such as supply, return, or air valves in heating systems; hot or cold water valves or faucets; plumbing, heating, or drainage traps.

Note C: In order to facilitate the pricing of future retirements, at the time of construction the company should obtain from the building contractor sufficient detail to allow for the breakdown of the total cost of the project in accordance with the required retirement units identified above.

2122. FURNITURE
2123.1. OFFICE SUPPORT EQUIPMENT
2123.2. COMPANY COMMUNICATIONS EQUIPMENT
2124. GENERAL PURPOSE COMPUTERS

Each complete item of furniture or equipment, the original cost of which was charged to the appropriate plant account, such as:
A desk, chair, table, piano, rug, carpet, or floor covering for one room; a typewriter, portable air conditioning unit or cash register; a distributing frame or switchboard; a CRT display, printer or typewriter control unit

CENTRAL OFFICE ASSETS

2211. Electronic Analog Switching Equipment:
A complete bay and/or functional unit, such as incoming trunk grouping, line links, connectors or marker bay
2212. Digital Electronic Switching Equipment:
A complete bay and/or functional unit, such as line frame, line trunk frame, digital transmission interface frame, time switch frame or central processor frame

2215.1. Step-by-Step Switching Equipment:
A complete equipment frame, such as a line-finder frame, line-switch frame, selector frame, connector frame, or repeater frame

2215.2 Crossbar Switching Equipment:
A complete equipment frame such as line link, district junctor, district link, office link, incoming link, subscriber sender link, subscriber sender, originating marker, terminating sender link, terminating sender, terminating marker, trunk link, register link, or sender link

2220. Operator Systems:
A complete frame or bay, operator position and/or functional unit such as trunk unit and service circuit

2231.1. Satellite and Earth Station Facilities:
A satellite including its launch costs
Antenna systems
Earth station facilities--a complete item of radio equipment such as a transmitter, transceiver or receiver

2231.2. Other Radio Facilities
A complete item of radio equipment such as an amplifier, antenna, control equipment, frequency modulation (FM) terminal, modulation and demodulation equipment, patch bay, receiver, transceiver and transmitter

2232. Circuit Equipment
Pair gain equipment such as channel banks, concentrators and subscriber loop carrier equipment including central office terminals and remote terminals
Multiplexing equipment such as carrier terminals, carrier channel banks, modems and translators, except those used with radio facilities. Other circuit equipment such as amplifiers, line repeaters, line signaling equipment, metallic facility terminals and modems

Following is a list of equipment which may be common to one or more of the aforementioned central office asset categories:

Switchboards, desks, and testboards:
Switchboards (i.e., local, toll, dial system "A", cordless "B" call distributing "B", observing, teletypewriter, etc.)--
A complete section or lower unit
Desks (i.e., operating, observing, testing, etc.)--
A complete section
Testboards, or test and control boards (board type)--
A complete section
Testboards, or test and control bands (rack type)--
All the equipment in one bay
A complete upper unit
A complete lower unit
A complete installation of rack framework for one board
Test panels--
A complete panel
Test cabinets--
A cabinet complete with equipment
Distributing frames:
Main distributing frames (including wall type)
A complete installation for one central office (in multi-unit offices,
for one operating unit)
Intermediate distributing frames--
A complete installation for one central office (in multi-unit offices,
for one operating unit)
Mezzanine balconies--
A complete installation for one frame
Racks:
Relay rack equipment--
A panel or unit complete with equipment
All the equipment in one bay, exclusive of any panels or units
Coil rack equipment--
All the equipment on one shelf
Message and traffic register rack equipment--
All the equipment in one bay
Iron framework--
A complete line or rack with or without enclosing cabinet or case
Cable:
The original cost of the cable may be loaded onto the cost of the
associated switching and transmission equipment. Otherwise all of the
cables in one run used for the same purpose, such as between--
(1) Main frame and intermediate frame for subscribers' lines
(2) Main frame and intermediate frame for outgoing trunk multiple
(3) Intermediate frame and connector frame or final frame for
subscriber's lines
(4) Intermediate frame and answering jacks
(5) Intermediate frame and switchboard for outgoing trunk multiple
jacks
(6) Intermediate frame and switchboard for subscribers' multiple jacks
Iron framework--
A complete installation of rack for one cable run
Power Equipment:
A panel or shelf complete with equipment, such as fuses, meters,
control equipment, etc.
Iron framework--
A complete line of frame or rack for one fuse board, one power
switchboard, etc.
A generator, motor, motor generator set, gas engine, rectifier,
ringing machine, harmonic converter, pole changer, interrupter, power
filter, or choke coil
Storage Batteries--
A complete battery with or without rack, cabinet, or counter, electric
motive force cells
All positive or all negative plates in an entire battery (i.e., in all
cells of a 24-volt battery, in all cells of a Morse battery, etc.)
All tanks or all jars of an entire battery
A complete battery rack or cabinet, storage or dry
A complete group of bus bars, cable, or wiring (with or without
conduit) such as between--
Battery and fuse panel
Power switchboard and machines
Telephone repeater equipment (including testing equipment):
A complete floor mounted rack type set
Relay rack mounted equipment--
A panel or unit complete with equipment
All the equipment in one bay, exclusive of any panels or units
Coil rack mounted equipment--
All the equipment on one shelf
Iron framework--
A complete line of rack
Carrier equipment (telephone, repeater, and testing equipment):
A complete floor mounted rack type set
Relay rack mounted equipment--
A panel or unit complete with equipment
All the equipment in one bay, exclusive of any panels or units
A line filter
A complete test table
Iron framework-- A complete line of rack
Table-mounted sending or receiving equipment--
A table complete with equipment
A complete optical system
A complete mechanical system
A complete fork box
A complete amplifier-modulator box
Rack-mounted sending or receiving equipment--
A panel complete with equipment
All the equipment in one bay
Iron framework--
A complete line of rack
Power equipment--
A complete power board
A complete storage battery
Photographic equipment--
A copying camera or a copying, enlarging, and reducing camera, each
with or without associated stands, illuminators, and copy boards
A print machine
A drying cabinet
A developing, fixing, and washing tank
Miscellaneous equipment:
A calculagraph, a master clock, or a secondary clock
Electrically driven calculagraph and clock systems--
A complete installation
Mechanical or pneumatic tube ticket distributing system--
A complete installation
Each complete tool or portable test set, the original cost of which
was charged to the telephone plant account, such as a plug remover and
attacher, cam aligning fixture, multiple bank resetting gage, or shaft
straightening tool, a relay adjusting set, line finder set, or wagon
type set
Loud-speaker equipment--
A complete installation
Aisle-lighting equipment--
A complete installation on one floor
Rolling ladders--
A complete installation for one side of one frame or rack
Message and traffic register cabinets--
A cabinet complete with equipment
Teletypewriter sets--
The disposition units maintained by each company for account 2311 in accordance with the provisions of that account

Key-indicator equipment or key-pulsing equipment:
A complete equipment frame, such as a link or sender frame

Note: When work of the following character is performed as a special job in a central office or at a multiple or dial private branch exchange for the purpose of improving or changing the type of the equipment, the material installed and retired and the labor and incidental costs involved shall be handled through the telephone plant and depreciation reserve accounts.

(1) Conversions of one or more switchboard positions, or dial-system frames, from one type to another, such as from subscribers' to toll, subscribers' to rural, inward toll to combined line and recording, manual B to call indicator B, or from panel B switchboard incoming frame to interoffice incoming frame

(2) Conversions of circuits from one type to another, such as conversions of cord circuits from two-party ringing to four-party selective ringing, semiselective ringing to selecting ringing or, from manual recall to flashing recall, and conversions of panel-sender circuits from noncoin to coin and from two-digit to three-digit

(3) Replacements of items of one type, with items of a different type for such reasons as improving signaling or transmission characteristics, changing operating methods or increasing capacity of the office, e.g.:
(a) Replacements of all the relays or repeating coils of one type in a central office with relays of coils of an improved type for the purpose of improving the signaling or transmission characteristics
(b) Replacements of items of equipment in dial offices because of a change in the method of operation to multiple registration
(c) Replacements of items of power equipment because of a change in power purchased from direct current to alternating current
(d) Modifications of the trunk and cord circuits of multiple manual private branch exchange boards necessitated by a cut-over of a central office district to dial operation
(e) Replacements of protectors of one size with protectors of a smaller size on a main distributing frame so that more protectors may be installed in the same space
(f) Replacements of 20 pair terminal strips on a main distributing frame with 50 pair strips to increase the capacity of the frame
(g) Replacements of jack strips having 10 jacks per strip with strips having 20 jacks per strip to increase the capacity of a switchboard
(h) Replacements of keys of one type with keys of a different type to permit more keys to be placed in the same position

Note: In order to facilitate the pricing of future retirements, at the time of installation the company should obtain from the central office contractor sufficient detail to allow for the breakdown of the total cost of the project in accordance with the required retirement units identified above.

INFORMATION ORIGINATION/TERMINATION ASSETS

2311. STATION APPARATUS
None, but each company shall maintain its own list of station apparatus disposition units for account 2311 in accordance with the provisions of that account
2321. CUSTOMER PREMISES WIRING
None

2341. LARGE PRIVATE BRANCH EXCHANGES
Units specified under central office assets of this list

2351. PUBLIC TELEPHONE TERMINAL EQUIPMENT
None, but each company shall maintain its own list of public telephone
terminal equipment disposition units so as to separately identify
enclosures and coin, coinless and credit card telephones

2362. OTHER TERMINAL EQUIPMENT
None, but each company shall maintain its own list of other terminal
equipment retirement units for account 2362 in accordance with the
provisions of that account

CABLE AND WIRE FACILITIES

2411. POLES
A pole (i.e., line pole, brace pole, guy stub, or pole forming part A
or H fixture), with or without associated anchors, guys, steps, and
crossarms placed after January 1, 1971
A crossarm, (i.e., wooden crossarm, guard arm, or cable crossarm
including extension arms), with or without braces or other hardware,
placed prior to January 1, 1971
A special fixture (i.e., bridge fixture, a tower, or other special
river-crossing or long-span fixture) with or without associated anchors,
guys, etc.

2421. AERIAL CABLE
2422. UNDERGROUND CABLE
2423. BURIED CABLE
2424. SUBMARINE CABLE
2425. DEEP SEA CABLE
2426. INTRABUILDING NETWORK CABLE
Two continuous spans or more of cable, with or without associated
distribution terminals, suspension strand, clamps, lashing, etc. (The
term span shall include a length of cable from a Y splice not located at
a pole to a pole or building.)
A section or run of cable, with or without associated elements and
parts, as follows:
(1) Between a manhole, handhole, or service box and a pole, building,
fence, wall, or the junction with the house cable
(2) Between manholes, handholes, or service boxes; or between an
office cable vault and an office manhole
(3) Between a cable vault or an office manhole and the main frame, the
main frame terminating cables, or the frame mounted connector stub
(4) A section of buried cable 300 feet or more in length, or any
section of buried cable between manholes, splicing boxes, pedestals,
poles, or buildings
(5) All of a continuous run of one size of house cable (All of a
continuous run of one size means a section between splices other than
straight splices.)
(6) All of a continuous run of one size of block cable, i.e., cable
attached to buildings, walls, or fences (All of a continuous run of one
size means a section between splices other than straight splices.)
(7) All of a submarine cable for one crossing; or a section of
submarine cable 300 feet or more in length
(8) A section of underground dip cable between poles and/or buildings,
or the appropriate units listed above
Any length of cable connected with but not a part of any unit on this list when replaced concurrently with the unit.

Terminating cables:
- All of the cables and forms used for terminating one cable.
- A complete cross-connecting cable terminal protected or unprotected, with or without associated balcony, pole seat, etc.
- A complete intrabuilding network cable terminal, protected or unprotected, including frame type.
- A pressure contactor terminal with or without contactor.
- A complete house terminal, protected or unprotected, including frame type.
- A complete video terminal.
- A complete coaxial terminal.
- A submarine cable hut or house.
- A submarine cable anchorage.
- A submarine cable terminating frame.
- A case of equipment, such as loading coils, building-out capacitors, building-out condensers, carrier line filters, or auto-transformers.
- An air dryer.

2431. AERIAL WIRE
- Two continuous spans or more of insulated wire or two continuous spans of one uninsulated wire, with or without associated insulators, transposition brackets, etc.
- A case of equipment such as loading coils, building-out condensers, carrier line filters, or auto-transformers.
- An antenna, complete with or without supports.

2441. UNDERGROUND CONDUIT
- A section of conduit—
  (1) Between two manholes, handholes, or service boxes.
  (2) Between a manhole, handhole, or service box and a pole or building.
  (3) Between a central office cable vault and an office manhole.
  (4) Underground dips—between two poles; between a pole and a building; between two buildings; or units (1) and (2) above.
  (5) a manhole, handhole, or service box.

GLOSSARY

Note: When a manhole is reconstructed, i.e., enlarged or changed in design, the investment representing portions of the manhole removed, whether or not replaced, should be written off to the depreciation reserve account.

When used in this system of accounts:
1. Accelerated depreciation means a depreciation method or period of time, including the treatment given cost of removal and gross salvage, used in calculating depreciation deductions on income tax returns which is different from the depreciation method or period of time prescribed by this commission for use in calculating depreciation expense recorded in a company's books of account.
2. Account means a specific element of a chart of accounts used to record, classify and accumulate similar financial transactions resulting from the operations of the entity. Accounts, or these accounts, refer to the accounts of this system of accounts.
3. Accounting system means the total set of interrelated principles, rules, requirements, definitions, accounts, records, procedures and mechanisms necessary to operate and evaluate the entity from a financial perspective. An accounting system generally consists of a chart of
accounts, various parallel subsystems, and subsidiary records. An accounting system is utilized to provide the necessary financial information to users to meet judiciary and other responsibilities.

4. Affiliated companies means companies that directly or indirectly through one or more intermediaries, control or are controlled by, or are under common control with, the accounting company. See also Control.

5. Amortization means the gradual extinguishment of an amount in an account by distributing such amount over a fixed period, over the life of the asset or liability to which it applies, or over the period during which it is anticipated the benefit will be realized.

6. Associated equipment means that equipment which functions with a specific type of plant or with two or more types of plant, e.g., switching equipment, network power equipment, circuit equipment, common channel network signaling equipment or network operations equipment. Associated equipment shall be classified to the account appropriate for the type of equipment with which it is predominately used rather than on its own characteristics.

Illustrative examples of associated equipment are:

- Alarm and signal apparatus
- Auxiliary framing
- Cable and cable racks
- Distributing frames and equipment thereon
- Frame and aisle lighting equipment (not permanently attached to the building)
- Relay racks and panels

7. Basic local service area means the minimum specified calling area for which a tariff is prescribed.

8. Book cost means the amount at which property is recorded in these accounts, without deduction of related accumulated provision for depreciation, amortization or allowances for other purposes.

9. Commission or this commission means the Public Service Commission of the State of New York.

10. Common carrier or carrier means any person engaged as a common carrier for hire, in interstate or foreign communication by wire or radio or in interstate or foreign radio transmission of energy, except where reference is made to common carriers not subject to the jurisdiction of the Federal Communications Commission; but a person engaged in radio broadcasting shall not, insofar as such person is so engaged, be deemed a common carrier.

11. Company or the company, when not otherwise indicated in the context, means the accounting entity.

12. Control (including the terms controlling, controlled by, and under common control with) means the possession directly or indirectly, of the power to direct or cause the direction of the management and policies of a company, whether such power is exercised through one or more intermediary companies, or alone, or in conjunction with, or pursuant to an agreement with, one or more other companies, 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, affiliated companies, contract, or any other direct or indirect means.

13. Cost, except as applied to telecommunications plant, franchises, and patent rights, means the amount of money actually paid (or the current money value of any consideration other than money exchanged) for
property or services. See also Original Cost.

14. Cost of removal means the cost of demolishing, dismantling, removing, tearing down, or otherwise disposing of telecommunications plant and recovering the salvage, including the cost of transportation and handling incident thereto.

15. Depreciation as applied to depreciable telecommunications plant is a systematic means of charging operations with the loss in service value not restored by current maintenance over the estimated useful life of the asset, incurred in connection with the consumption or prospective retirement of telecommunications plant in the course of service from causes which are known to be in current operation, against which the company is not protected by insurance, and the effect of which can be forecast with a reasonable approach to accuracy. Among the causes to be given consideration are wear and tear, decay, action of the elements, inadequacy, obsolescence, changes in technology, changes in demand and requirements of public authorities.

16. Entity means a legal enterprise (common carrier) engaged in interstate and/or intrastate communications.

17. Group plan, as applied to depreciation accounting, means the plan under which depreciation charges are accrued upon the basis of the original cost of all property included in each depreciable plant account, using the average service life thereof properly weighted, and upon the retirement of any depreciable property its cost is charged to the accumulated provision for depreciation whether or not the particular item has attained the average service life.

18. Intangible property means assets that have no physical existence but instead have value because of the rights which ownership confers.

19. Intrasystems means assets consisting of:
   (1) private branch exchanges (PBX's) and key system common equipment (a switchboard or switching equipment shared by all stations);
   (2) associated customer premises equipment (CPE) station equipment (usually telephone or key telephone systems); and
   (3) intrasystem wiring (all cable or wiring and associated components which connect the common equipment and the station equipment, located on the customer's side of the demarcation point).

   An intrasystem does not include property, plant or equipment which are not solely dedicated to its operation.

20. Local service area as applied to the requirement to keep subsidiary records for revenue accounts mean local access transport area (LATA).

21. Minor items, as applied to depreciable telecommunications plant, means any part or element of such plant, which when removed (with or without replacement) does not require retirement accounting. (Note also section 663.5 (b)(2) of this Title.)

22. Net salvage value means the salvage value of the property retired after deducting the cost of removal.

23. Original cost or cost, as applied to telecommunications plant, rights of way and other intangible property, means the actual money cost of (or the current money value of any consideration other than money exchanged for) property at the time when it was first dedicated to public service by a regulated telecommunications entity, whether the accounting company or by predecessors.

   Note: For the application of this definition to property acquired from predecessors see section 663.2(a). Note also the definition of Cost in
24. Plant retired means plant which has been removed, sold, abandoned, destroyed, or otherwise withdrawn from service.

25. Property record units means those items, groups of items, or quantities of property in terms of which the continuing property record of telephone plant accounts is maintained.

26. Research, development and demonstration (R, D & D) means expenditures incurred by the companies either directly or through another person or organization (such as a research institute, industry association, foundation, university, engineering company or similar contractor) in pursuing research, development and demonstration activities including experiment, design, demonstration, installation, construction or operation. This definition includes expenditures for the implementation or development of new and/or existing concepts until technically feasible and commercially feasible operations are verified. Such research, development and demonstration costs should be reasonably related to the existing or future utility business. The term includes but is not limited to all such costs incidental to the design, development or implementation of an experimental facility, a plant process, a product, a formula, an invention, a system or similar items, and the improvement of already existing items of a like nature; and the costs of obtaining its own patent, such as attorney's fees expended in making and perfecting a patent application. The term includes preliminary investigations and detailed planning of specific projects that rely on products or technologies that have not been previously verified to be feasible. The term does not include expenditures for efficiency surveys, studies of management, management techniques and organizations, audits of productivity, consumer surveys, advertising, promotions, or items of a like nature.

27. Retained earnings (formerly earned surplus) means the accumulated net income of the utility less distribution to stockholders and transfers to other capital accounts.

28. Retirement units, as applied to depreciable telecommunications plant, means those major items of plant which when removed (with or without replacement) cause the initiation of retirement accounting entries. (Note also section 663.5(b)(1) of this Title.)

29. Salvage value means the amount received for property retired, if sold, or if retained for reuse, the amount at which the material recovered is chargeable to account 1220, Inventories, or other appropriate account.

30. Service life means the period between the time of installation of telecommunications plant and the time of its retirement.

31. Service value means the difference between the original cost and the net salvage as defined in paragraph (22) of this subdivision.

32. Stock expense, as applied to capital stock, means all expenses in connection with the issuance, sale of capital stock, such as fees and commissions (including the cash value of securities) paid to promoters, underwriters, brokers and salesmen; fees for legal services; cost of soliciting subscriptions for capital stock, including fees, commissions and advertising; cost of obtaining governmental authority and filing notices thereunder; fees and taxes for issuance of capital stock and listing on exchanges; cost of preparing, engraving, printing, issuing, and distributing prospectuses and stock certificates in connection with both original and additional capital stock issues. (Note also account
33. Straight-line method, as applied to depreciation accounting, means the plan under which the service value of property is charged to operating expenses and credited to accumulated depreciation through equal annual charges as nearly as may be during its service life.

34. Subsidiary record means accumulation of detailed information which is required by this commission to be maintained in support of entries to the accounts.

35. Subsidiary record categories means those segregations of certain regulated costs, expenses and revenues, which must be maintained and are subject to specific reporting requirements of this commission.

36. Subsystems, or parallel mechanisms means processes or procedures which augment the use of a chart of accounts in the financial operation of the entity. These subsystems operate on and/or process account and subsidiary record information for specific purposes.

37. Tangible property means assets characterized by physical existence, such as land, buildings, equipment, furniture, fixtures and tools.

38. Telecommunications means any transmission, emission, or reception of signs, signals, writing, images or sounds or intelligence of any nature by wire, radio, visual or other electromagnetic systems. This encompasses the aggregate of several modes of conveying information, signals or messages over a distance. Included in the telecommunications industry is the transmitting, receiving, or exchanging of information among multiple locations. The minimum elements required for the telecommunications process to occur are a message source, a transmission medium and a receiver.

39. Telephone corporation. See section 660.3(b) of this Title, Abstracts from Law.

40. Telephone line. See section 660.3(b) of this Title Abstracts from Law.

41. Time of installation means the date at which telecommunications plant is placed in service.

42. Time of retirement means the date at which telecommunications plant is retired from service.

Sec. 683.0 Order authorizing uniform system of accounts for radio-telephone utilities

683.1 Definitions

683.2 Abstracts from law

683.3 Classification of companies

683.4 Records

683.5 Applicability of Article
Section 683.0 Order authorizing uniform system of accounts for radio-telephone utilities. (a) This uniform system of accounts is hereby prescribed for every radio-telephone utility operating a radio-telephone facility (as those terms are defined in Part 645 of this Title) and every such radio-telephone utility is hereby required to keep its records and accounts in conformity therewith.

(b) During the 12 months following the date on which this system of accounts becomes effective, any such radio-telephone utility 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 radio-telephone utility for which this uniform system of accounts is prescribed shall classify, set forth, and carry all assets, liabilities, capital stock, retained earnings and other capital existing as of the effective date of this uniform system of accounts, as prescribed in such system of accounts.

(d) As of the date a utility becomes subject to this system of accounts, it shall prepare opening entries in accordance with the following provisions:

(1) The accounts prescribed herein shall be opened by transferring thereto the balances carried in the accounts previously maintained. The company is authorized to make such subdivisions, reclassifications, or consolidations of such balances as are necessary to meet the requirement of this system of accounts.

(2) The company shall prepare and keep as supporting records summary statements showing:

(i) the closing balances in each account carried on the books prior to the adoption of this system of accounts;

(ii) the journal entries to effect the transfer of those balances to the accounts prescribed herein, arranging such entries so as to show for each account or subdivision thereof from what account and to what account each amount was transferred;

(iii) the resultant opening balance of each account under this system of accounts.

(3) The first annual report filed with this commission by a utility covering its operations subsequent to the adoption of this system of accounts shall include copies of the statements referred to in paragraph (2) of this subdivision.

(e) In prescribing this system of accounts, the commission does not commit itself to the approval or acceptance of any item set out in any account for the purpose of fixing rates or in determining other matters before the commission. The prescribed system of accounts is designed to set out the facts in connection with the capitalization, construction, income, expenditures, etc., and therefrom the commission will determine, in connection with such matters as may be under advisement from time to time, just what consideration shall be given to the various items in the several accounts.

683.1 Definitions. (a) When used in this system of accounts, unless otherwise indicated:

(1) Accounts or these accounts means the accounts prescribed in this system of accounts.

(2) Amortization means the gradual extinguishment of an amount in an account by prorating such amount over a fixed period, over the life of
the asset or liability to which it applies, or over the period during
which it is anticipated the benefit will be realized.

(3) Commission means the Public Service Commission of the State of New
York.

(4) Control (including the terms controlling, controlled by, and under
common control with) means the possession, directly or indirectly of the
power to direct or cause the direction of the management and policies of
a company, whether such power is exercised through one or more
intermediary companies, or alone, or in conjunction with, or pursuant to
an agreement with, one or more other companies, 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, affiliated companies, contract, or any other direct or
indirect means.

(5) Cost means the amount of money actually paid (or the current
market value of any consideration other than money given) for property
or services.

(6) Cost of removal means the cost of demolishing, dismantling,
removing, tearing down, or otherwise disposing of radio-telephone
utility plant and recovering the salvage.

(7) Delayed items means items relating to transactions which occurred
before the current calendar year. It includes adjustments of errors in
income, operating revenue, and operating expense accounts of prior
years.

(8) Depreciation, as applied to depreciable radio-telephone utility
plant, means the loss of service value not restored by current
maintenance caused by factors such as wear and tear, decay, action of
the elements, inadequacy, obsolescence, changes in the art, changes in
demand and requirements of public authorities. In connection with this
definition, note section 684.1 of this Title.

(9) Extraordinary items means items relating to transactions occurring
during the current calendar year of such a nature that they are not a
part of the regular operating performance of the utility. Accordingly,
there will be events and transactions of significant effect which would
not be expected to recur frequently and which would distort income if
reported other than as extraordinary.

(10) Interconnecting telephone company means any telephone corporation
(as that term is defined in the Public Service Law) operating a
conventional landline telephone system to which the radio-telephone
utility has access through means of automatic or manual connection.

(11) Net salvage value means the salvage value of the property
retired, after deducting the cost of removal.

(12) Original cost, as applied to radio telephone utility plant, means
the actual installed cost (or the current money value of other
consideration other than money) of property in dollars at the time when
it was first dedicated to the public use, whether by the accounting
company or by predecessors.

(13) Plant retired means plant which has been removed, sold,
abandoned, destroyed or otherwise withdrawn from radio-telephone utility
service.

(14) Property unit means complete or identifiable items of
radio-telephone utility equipment such as a console, a transmitter, a
receiver, an antenna, or other complete and distinct units of property,
the original cost of which is included in the plant accounts as separate
or distinguishable amounts. When these units are retired with or without replacement, they are accounted for by crediting the original cost of the equipment to the plant account in which they are included, with a contra charge to the appropriate accumulated depreciation account.

(15) Radio-telephone utility plant means either intangible or physical property used in radio-telephone utility service, the original cost of which qualifies for inclusion in balance sheet asset account 100, Radio-telephone Plant in Service, or account 101, Radio-telephone Plant Under Construction.

(16) Salvage value means the amount received for property retired, less any expenses incurred in connection with the sale or in preparing the property for sale; or if retained, the amount at which the material recoverable is chargeable to account 114, Equipment and Supplies on Hand--Radio-telephone.

(17) Service life means the period between the date when radio-telephone utility plant is installed and the date of its retirement.

(18) Service value means the difference between the original cost and the net salvage value of radio-telephone utility plant.

.683.2 Abstracts from law.

(a) Authority for uniform system of accounts. This uniform system of accounts for radio-telephone utilities is established and issued by the public service commission under the following provision of the Public Service Law (chapter 48 of the Consolidated Laws):

Section 95, subdivision 2. "The commission may establish a system of accounts to be used by telegraph corporations and telephone corporations, which are subject to its jurisdiction, and are required to make annual reports to it or classify the said corporations, and prescribe a system of accounts for each class and may prescribe the manner in which such accounts shall be kept. It may also, in its discretion prescribe the form of records to be kept by such corporation. Notice of alterations by the commission in the required method or form of keeping accounts shall be given to such corporations by the commission at least six months before the same are to take effect."

(b) Telephone corporation and telephone line defined.

(1) The Public Service Law defines telephone corporation and telephone line as follows:

Section 2, subdivision 17. "The term 'telephone corporation,' when used in this chapter, includes every corporation, company, association, joint-stock association, partnership and person, their lessees, trustees or receivers appointed by any court whatsoever, owning, operating or managing any telephone line or part of telephone line used in the conduct of the business of affording telephonic communication for hire; excepting, however, any corporation, company, association, joint-stock association, partnership or person, their lessees, trustees or receivers, who or which do not operate the business of affording telephonic communication for profit."

Section 2, subdivision 18. "The term 'telephone line,' when used in this chapter, includes conduits, ducts, poles, wires, cables, cross-arms, receivers, transmitters, instruments, machines, appliances and all devices, real estate, easements, apparatus, property and routes used, operated or owned by any telephone corporation to facilitate the
business of affording telephonic communication."

Section 5-b. "Corporations formed to acquire property or to transact business which would be subject to the provisions of this chapter, and corporations possessing franchises for any of the purposes contemplated by this chapter, shall be deemed to be subject to the provisions of this chapter although no property may have been acquired, business transacted or franchises exercised."

(2) The term company, as used herein, means radio-telephone utility.

683.3 Classification of companies.

(a) For accounting purposes, radio-telephone utilities are divided into two classes, as follows:

(1) Class 1. Companies having annual radio-telephone utility operating revenues exceeding $50,000;

(2) Class 2. Companies having annual radio-telephone utility operating revenues not exceeding $50,000.

(b) Class 1 companies shall keep all the accounts of this system of accounts which are applicable to their affairs.

(c) It is recommended that class 2 companies keep all the applicable accounts prescribed for class 1 companies.

(d) The initial classification of a company shall be determined by its lowest annual radio-telephone utility operating revenues for the three immediately preceding years, except that if a company's annual radio-telephone utility revenues exceeded $70,000 in any one of the three years, it shall be a class 1 company. Subsequent changes in classification shall be made when the annual operating revenues show a greater or lesser classification for three consecutive years, except that if a company's annual radio-telephone utility operating revenues exceed $70,000 in any one of the three years, it shall immediately be classified as a class 1 company. Companies becoming subject to the jurisdiction of the commission and not having revenue data for the three immediately preceding years shall estimate the amount of their annual revenues and adopt the scheme of accounts appropriate for the amount of such estimated revenues.

683.4 Records. (a) The books of account of all radio-telephone utilities shall be kept by the double entry method, on an accrual basis. Each utility shall keep its accounts current and shall close its books at the end of each calendar year.

(b) All books of account, together with records and memoranda supporting the entries in the books of account, shall be kept in such a manner as to support fully the facts pertaining to such entries. The books and records referred to in this section include not only the accounting records in a limited technical sense, but also all other records, reports, correspondence, invoices, memoranda and information useful in determining the facts regarding a transaction.

(c) Utilities may further subdivide any of the accounts, provided that such subdivisions do not impair the integrity of the accounts.

(d) Except as authorized by the commission, all operating, accounting, or financial records, books, invoices, stubs, maps or documents shall be retained permanently.

(e) All such records shall be accessible, at all times, to the authorized representatives of the commission at a location within the State of New York.
(f) Attention is directed to the following extract from the Public Service Law:

Section 102, subdivision 1. "Every telegraph corporation and every telephone corporation, and all officers, agents and employees of any telegraph corporation or telephone corporation shall obey, observe and comply with every order, direction or requirement made by the commission, under authority of this article, so long as the same shall be and remain in force. Any telegraph corporation or any telephone corporation which shall violate any provision of this article, or which fails, omits or neglects to obey, observe or comply with any order or any direction or requirement of the commission, shall forfeit to the people of the State of New York, not to exceed the sum of one thousand dollars for each and every offense; every violation of any such order or direction or requirement, or of this article, shall be a separate and distinct offense, and, in case of a continuing violation, every day's continuance thereof shall be and be deemed to be a separate and distinct offense."

683.5 Applicability of Article. This Article shall apply to all radio-telephone utilities operating in any way in New York State except landline telephone companies which also operate as radio-telephone utilities under the terms of section 645.1(a) of this Title. Said landline companies shall continue to comply with the provisions of the applicable uniform system of accounts for telephone companies.

PART 684
INSTRUCTIONS--GENERAL
(Statutory authority: Public Service Law, ùù 94, 95, 99)

Sec.
684.1 Depreciation accounting
684.2 Joint operations
684.3 Operating property retired
684.4 Operating revenues, segregation of
684.5 Radio-telephone utility plant accounts
684.6 Work order system recommended
684.7 Items lists
684.8 Transactions with associated companies

Section 684.1 Depreciation accounting. (a) Depreciation charges shall be such that the loss in service value of the property shall be distributed proportionately over the property's service life. The depreciation rates shall be reviewed periodically and adjusted as required, so that the depreciation accrual will bear a reasonable relationship to the cost of plant in service, its remaining service life, the estimated net future salvage, and to the balance of the accumulated depreciation.

(b) The utility shall maintain a separate accumulated depreciation subaccount for each depreciable plant account and plant subaccount.

684.2 Joint operations. (a) In instances where radio-telephone utility businesses such as sales and repair of electronic and radio equipment, are conducted as part of, or are commingled with the radio-telephone utility operations, a segregation shall be maintained, insofar as practicable, of assets, liabilities, revenues and expenses.
(b) The radio-telephone utility shall be prepared, upon request, to make a reasonable allocation of its investment in assets that are used jointly in the radio-telephone utility operations and nonutility businesses, and expenses that relate to more than one of the operations.

684.3 Operating property retired. (a) When an item of radio-telephone utility plant is retired, account 104, Accumulated Provision for Depreciation of Radio-telephone Plant, shall be charged and the appropriate plant accounts shall be credited with the entire recorded original cost of plant retired regardless of the amount of depreciation which has been accumulated for this particular item of plant, except as provided in subdivision (b) which follows. Account 104, Accumulated Provision for Depreciation of Radio-telephone Plant, shall also be charged with the costs of removal of retired plant, and shall be credited with the salvage value, sales price or other amounts recovered from plant retired.

(b) In rare instances, the unexpected early retirement of a major unit of property which would eliminate or seriously deplete the existing accumulated depreciation may require accounting treatment which differs from that described in subdivision (b) above. In such instances the commission may authorize or order the loss on retirement, less any tax savings, to be charged directly to account 413, Extraordinary and Delayed Items--Net, or to account 117, Deferred Debits, and amortize in future periods. Such accounting treatment shall be used only when specifically authorized or directed by the commission.

684.4 Operating revenues, segregation of. Utilities generating significant amounts of revenue through offering multiple services may, at their option, segregate revenues by the various types of one-way and two-way services such as tone only, tone and voice, hand portable, radio-telephone utility and vehicle-mounted radio-telephone utility services.

684.5 Radio-telephone utility plant accounts. (a) All radio-telephone utility plant shall be recorded at original cost. Except that original cost of plant acquired from another utility or radio-telephone utility prior to the date a utility becomes subject to this system of accounts may be estimated, if not known. Adjustments to reflect such estimated cost shall be made in accordance with the text of account 102, Radio-telephone Plant Acquisition Adjustments.

(b) Each company shall establish a list of property units having the following characteristics:

(1) Groupings or property units should conform with the plant accounts prescribed in this system of accounts.

(2) Property units should be suitable for retirement purposes and should be neither so large as to cause most replacements to be charged to maintenance, nor so small and numerous as to make accounting and recordkeeping burdensome.

Note: See List A (List A is set out at the end of the system of accounts for Classes 1 and 2, infra.) for suggested list of property units.

684.6 Work order system recommended. It is recommended that utilities use a work order system for recording plant additions and retirements.
The work orders should contain the date, description and location of each plant addition and retirement, together with an itemized record of materials, labor and other costs, and the plant or other accounts to be charged or credited.

684.7 Items lists. Lists of items appearing in the texts of the accounts or elsewhere herein are for the purpose of more clearly indicating the application of the prescribed accounting. The lists are intended to be representative, but not exhaustive. The appearance of an item in a list warrants the inclusion of the item in the account mentioned only when the text of the account also indicates inclusion inasmuch as the same item frequently appears in more than one list. The proper entry in each instance must be determined by the texts of the accounts.

684.8 Transactions with associated companies.

(a) Each company shall keep its accounts and records so as to be able to furnish accurately and expeditiously statements of all transactions with associated companies. The statements may be required to show the general nature of the transactions, the amounts involved therein and the amounts included in each account prescribed herein with respect to such transactions. Transactions with associated companies shall be recorded in the appropriate accounts for transactions of the same nature. Nothing herein contained, however, shall be construed as restraining the company from subdividing accounts for the purpose of recording separately transactions with associated companies.

(b) If a clearing account is not maintained for each associated company in which all gross charges by that company are entered and from which they are distributed, all charges of any nature whatsoever by any associated company shall be credited at the gross amounts involved to a subaccount for that company under the appropriate subdivisions of accounts 160, Long-term Debt, and 175, Other Current Liabilities, even though immediately transferred to an account for capital stock, proprietary capital, or other liability. In like manner, in the absence of clearing accounts, all gross charges to any associated company shall be debited to a subaccount for that company under the appropriate subdivisions of accounts 103, Nonutility Property and Other Assets, and 115, Other Current Assets, even though immediately transferred to an investment account or other asset.

(c) Dividends, rebates, or earnings from associated companies or mutual service companies, representing refunds of the excess charges made by such companies over the cost to them, shall be debited to account 115, Other Current Assets, and shall be credited so far as practicable to the same accounts to which the corresponding charges were made, including proper distinction between construction and operating expenses. Credits applicable to operating expenses, where it is impracticable to allocate them among the accounts to which the corresponding charges have been made, shall be recorded in account 612, Other Expenses.

100. Radio-telephone Plant in Service
101. Radio-telephone Plant Under Construction
102. Radio-telephone Plant Acquisition Adjustments
103. Nonutility Property and Other Assets
104. Accumulated Provision for Depreciation of Radio-telephone Plant
105. Accumulated Provision for Depreciation of Nonutility Property
111. Cash
112. Accounts Receivable
113. Accumulated Provision for Uncollectible Accounts--Credit
114. Equipment and Supplies on Hand--Radio-telephone
115. Other Current Assets
116. Prepayments
117. Deferred Debits

LIABILITIES AND OTHER CREDITS

150. Common Stock
151. Preferred Stock
152. Retained Earnings (For Corporations Only)
153. Other Paid-in Capital (For Corporations Only)
154. Proprietary Capital (For Proprietorships and Partnerships Only)
160. Long-term Debt
170. Notes and Other Debt Payable--Short-Term
171. Accounts Payable
172. Customers' Deposits
173. Taxes Accrued
174. Interest Accrued
175. Other Current Liabilities
176. Other Deferred Credits

ASSETS AND OTHER DEBITS

100. Radio-telephone Plant in Service
   A. This account shall include the original cost of all radio-telephone
   plant owned and used by the utility in providing radio-telephone
   service.
   B. This account is the control account for plant account 200 through
   account 211.

101. Radio-telephone Plant Under Construction
   This account shall include the cost of radio-telephone plant in
   process of construction, but not ready for service.

102. Radio-telephone Plant Acquisition Adjustments
   A. This account shall include the difference between (1) the cost to
   the utility of radio-telephone plant acquired as an operating system by
   purchase, merger, or otherwise and (2) the net of amounts entered in the
   plant accounts, the accumulated depreciation account and other
   appropriate accounts.
   B. No transfers shall be made from this account unless prior written
   authorization has been obtained from the commission.
   Note A: The original cost of the acquired plant shall be charged to
   plant accounts, and accumulated depreciation shall be credited to
   account 104, Accumulated Provision for Depreciation of Radio-telephone
   Plant. Any balance (representing the difference between the net original
   cost of the assets acquired and the cost to the acquiring utility) shall
   remain in this account.
   Note B: When an existing radio-telephone system is acquired the
   utility shall be obligated to obtain from the vendor all existing
   records, including records of plant construction dates and costs, and
   records of accumulated depreciation applicable to such properties.
103. Nonutility Property and Other Assets
A. This account shall include property and other assets owned by the utility, but not used in providing radio-telephone service, for which separate balance sheet accounts have not been provided.
B. The account shall be appropriately subdivided.

ITEMS

- Land and buildings not used in radio-telephone operations.
- Radio-telephone utility assets transferred to "nonoperative" status.
- Investment in securities.
- Assets of nonutility businesses operated together with the radio-telephone utility.
- Notes receivable not due within one year.

Note A: Amounts due from customers for nonutility service should be included in subaccount 112.2, Accounts Receivable--Nonutility Service.

Note B: Accounting instructions permit the subdivision of accounts, provided that such subdivision does not impair the completeness of the accounts.

104. Accumulated Provision for Depreciation of Radio-telephone Plant
A. This account shall reflect the depreciation and amortization accumulated on plant used in radio-telephone utility service.
B. This account shall be credited with:
   (1) Amounts concurrently charged to account 402, Depreciation and Amortization Expense, representing currently accruing depreciation and amortization on radio-telephone utility plant.
   (2) Salvage value, sales price, trade-in allowance, insurance settlements and other amounts recovered from plant retired.
C. This account shall be charged with:
   (1) Original cost of depreciable radio-telephone utility plant retired.
   (2) Cost of removal of plant retired.
D. Charge utility plant lost or stolen by subscribers to this account and credit this account with amounts recovered from subscribers and insurance settlements.
E. The utility shall maintain separate subaccounts corresponding with the depreciable plant accounts in which the accumulated depreciation total is segregated.
F. The utility is restricted in the use of this account to the purposes set forth above. It shall not transfer any portion to retained earnings or proprietary capital or to other accounts without prior written authorization from this commission.

105. Accumulated Provision for Depreciation of Nonutility Property
A. This account shall reflect the depreciation and amortization on property not used in radio-telephone utility operations.
B. This account shall be credited with amounts currently charged to account 411, Other Income Deductions--Nonutility, representing currently accruing depreciation and amortization on property not used in radio-telephone utility operations.
C. This account shall be charged with the amount of depreciation accumulated on items of nonutility property sold, abandoned, or otherwise retired.

111. Cash
A. This account shall include the amount of cash on hand or on deposit in banks.
B. The following subaccounts should be maintained:
111.1 Cash on Hand
111.2 Cash in Bank

112. Accounts Receivable
This account shall include amounts due from customers for radio-telephone and nonutility service and shall be segregated into the following subaccounts:
112.1 Accounts Receivable--Radio-telephone Service
112.2 Accounts Receivable--Nonutility Service

113. Accumulated Provision for Uncollectible Accounts--Credit
A. This account shall be credited with:
(1) Amounts to provide for estimated losses on uncollectible accounts receivable. Concurrent charges will be made to account 612, Other Expenses, for amounts applicable to utility operations and to account 411, Other Income Deductions--Nonutility, for other operations.
(2) Collections of amounts previously considered to be uncollectible, and charged against this account.
(3) Unclaimed deposits that may lawfully be written off as unrefundable, because of the inability to locate the rightful owner or for some other reason. Concurrent charges will be made to account 172, Customers' Deposits.

114. Equipment and Supplies on Hand--Radio-telephone
A. This account shall include the cost of equipment and supplies on hand, purchased for use in radio-telephone construction installation, or repair work.
B. The cost shall include, when practicable, transportation charges, sales and use taxes and other directly assignable costs. Cash discounts realized on purchases shall be credited to this account.
C. Reusable equipment which is retired from plant and returned to the equipment and supplies inventory shall be charged to this account and credited to account 104, Accumulated Provision for Depreciation of Radio-telephone Plant. Identifiable units which have been removed from service shall be carried in inventory at original cost. Items of small value whose original cost cannot be readily determined shall be carried in inventory at current prices new. Scrap equipment shall be carried in inventory at estimated scrap value.
D. Inventories of equipment and supplies shall be taken at least annually and the necessary adjustments shall be made to bring this account balance into agreement with the actual quantities on hand.
E. This account shall not include items in stock which are includible in account 207, Mobile Equipment for One-Way Service, or account 208, Mobile Equipment for Two-Way Service.

115. Other Current Assets
A. This account shall include the book cost of all notes receivable, payable on demand or maturing within one year.
B. This account shall include all other current assets not provided for in other balance sheet accounts.
C. Separate subaccounts shall be maintained for each class of current asset* included in this account.
* So in original. "asset" should be "assets".
Note: Notes receivable not due within one year should be recorded in account 103, Nonutility Property and Other Assets.

116. Prepayments
This account shall include prepayments of rents, taxes, insurance, and similar expenses for which payment has been made in advance of the
period to which they apply. As the periods covered by such prepayments expire, this account shall be credited and the proper operating expense or other accounts shall be charged with the amounts applicable to the current period.

117. Deferred Debits
A. This account shall include such items as expenses of security issues, bond discount, items in suspense, and extraordinary cost, net of tax effect, not chargeable to operating expenses in the current period.
B. This account shall be appropriately subdivided.

LIABILITIES AND OTHER CREDITS

150. Common Stock
A. This account shall be credited with the total par value or stated value of common stock outstanding.
B. Premiums related to the issue of common stock shall be carried in a separate subaccount of account 153, Other Paid-in Capital.
Note: No debits shall be made to this account for nonpar stock except for the retirement of the stock or for amounts distributed to stockholders in liquidation.

151. Preferred Stock
A. This account shall be credited with the total par value or stated value of preferred stock outstanding.
B. Premiums and discounts related to the issue of preferred stock shall be carried in separate subaccounts of account 153, Other Paid-in Capital.
Note: No debits shall be made to this account for nonpar stock except for the retirement of the stock or for amounts distributed to stockholders in liquidation.

152. Retained Earnings (For Corporations Only)
A. This account shall reflect corporate earnings retained in the business.
B. This account shall be credited with net income.
C. This account shall be charged with:
   (1) Net losses
   (2) Dividends

153. Other Paid-in Capital (For Corporations Only)
A. This account shall include all paid-in capital not derived from earnings. It shall include such items as premiums and discounts related to the issuance of capital stock, donations to the utility of its capital stock, paid-in capital arising from the forgiveness of debt of the utility, paid-in capital arising out of a reorganization of the utility, or in connection with its recapitalization.
B. Each type of paid-in capital shall be carried in a separate subaccount.

154. Proprietary Capital (For Proprietorships and Partnerships Only)
A. This account shall be credited with the investment of a sole proprietor, or partners, in an unincorporated radio-telephone utility.
B. A separate subaccount shall be maintained for each partner.
C. At the end of each calendar year the net income or loss for the year shall be entered in this account.
D. All withdrawals from the business by the owner or partners other than as compensation or services performed shall be charged to subaccount 154.1, Proprietary Drawings. This subaccount shall be closed into account 154, Proprietary Capital (For Proprietorships and Partnerships Only) at the end of each accounting period.
Note: Amounts designated by a noncorporate owner or partner as a "salary" representing fair and reasonable compensation for services performed shall be charged to operating expense subaccount 607, Management Salaries, or to radio-telephone plant accounts when appropriate.

160. Long-term Debt
A. This account shall include all evidences of indebtedness payable more than one year from date of issue.
B. A separate subaccount may be maintained for each obligation outstanding.

Note A: Prior authorization must be obtained from this commission before any long-term indebtedness may be incurred by the utility (Public Service Law, Section 101).

Note B: The current or matured portion of the long-term debt should be recorded in account 170, Notes and Other Debt Payable--Short-Term.

170. Notes and Other Debt Payable--Short-Term
This account shall include the face value of all notes, or other similar evidences of indebtedness, payable on demand, or which by their terms are payable within one year from the date of issue and the current or matured portion of long-term debt.

171. Accounts Payable
This account shall include all amounts payable by the utility within one year, and which are not provided for in other accounts.

172. Customers' Deposits
A. This account shall include all amounts deposited with the utility by customers as security for payment of bills and for the return of the utility's radio-telephone equipment.
B. Charge this account and credit account 113, Accumulated Provision for Uncollectible Accounts--Credit with unclaimed deposits that may lawfully be written off as unrefundable because of the inability to locate the rightful owner or for some other reason.
C. Charge this account and credit account 104, Accumulated Provision for Depreciation of Radio-telephone Plant, with the amount of the deposit that may lawfully be used to defray the cost of utility plant lost or stolen by subscribers.

173. Taxes Accrued
This account shall be credited with the amount of taxes accrued during the accounting period prior to their payment. It should include sales taxes, excise taxes, property taxes, employer's portion of payroll taxes and income taxes.

Note: It is recommended, but not required, that a separate subaccount be maintained for each type of tax.

174. Interest Accrued
This account shall include the amount of all interest accrued on liabilities of the utility. Supporting records shall be maintained so as to show the amount of interest accrued on each obligation.

175. Other Current Liabilities
This account shall include the amount of all other current liabilities not provided for elsewhere, appropriately designated and supported so as to show the nature of each liability.

176. Other Deferred Credits
A. This account shall include advance billings, unamortized premium on debt, items in suspense, net of tax effect, and other credit items, net of tax effect, not provided for in other accounts.
B. This account shall be appropriately subdivided.

RADIO-TELEPHONE PLANT ACCOUNTS

200. Organization
201. Other Intangible Plant
202. Land
203. Buildings and Towers
204. Leasehold Improvements
205. Control and Message Center Equipment
206. Fixed Station Equipment
207. Mobile Equipment for One-Way Service
208. Mobile Equipment for Two-Way Service
209. Shop and Test Equipment
210. Vehicles
211. Office Furniture and Equipment

This account shall include all fees paid to Federal or State governments for the privilege of incorporation and expenditures incident to organizing a corporation, partnership, or other form of business enterprise.

ITEMS

(1) Fees and expenses for incorporation.
(2) Fees and expenses for mergers or consolidations.
(3) Stock and minute books and corporate seal.

Note A: This account shall not include any discounts upon securities issued or assumed; nor shall it include any costs incident to negotiating loans, selling bonds or other evidences of debt, or expenses in connection with the authorization, issuance or sale of capital stock.

Note B: When charges are made to this account for expenses incurred in mergers, consolidations, or reorganizations, amounts previously included in this account on the books of the various companies concerned shall not be carried over.

201. Other Intangible Plant
A. This account shall include the original cost of the Federal Communications Commission station license, and similar rights which are necessary in the conduct of the utility's radio-telephone operations.
B. Costs of periodic license renewals are chargeable to operating expenses.

202. Land
This account shall include the original cost of land and easements used in connection with radio-telephone utility operations.

203. Buildings and Towers
This account shall include the original cost of buildings and towers used in radio-telephone utility operations including the cost of all permanent fixtures, masts, and antenna supporting equipment.

204. Leasehold Improvements
A. This account shall include the cost to the utility of improvements to property used in its radio-telephone operations which is held under a lease.

B. The leasehold improvement shall be amortized over either the life of the lease or the life of the leasehold improvement, whichever of these lives is shorter, by credits to this account and charges to account 402, Depreciation and Amortization Expense.

205. Control and Message Center Equipment
A. This account shall include the original cost of radio-telephone
control consoles, equipment and wiring, interconnect equipment and associated apparatus used in receiving, forwarding and terminating calls and messages and for other control purposes. Monitoring and measurement equipment installed for regular control purposes also shall be recorded in this account.

B. Equipment used exclusively for private radio-telephone service shall be recorded in a separate subaccount of this account.

206. Fixed Station Equipment
A. This account shall include the original cost of transmitters, receivers, antennas, and associated equipment and wiring used in base station and repeater operations. Microwave facilities and other equipment used for control of base station operation also shall be recorded in this account.
B. Equipment used exclusively for private radio-telephone service shall be recorded in a separate subaccount of this account.

207. Mobile Equipment for One-Way Service
A. This account shall include the original cost (noninstalled) of equipment used in providing one-way signaling or paging service, including receivers, decoders, mobile antennas and associated apparatus which is mounted in vehicles or is hand portable.
B. This account shall also include mobile units in stock.
C. This account shall be maintained on a group basis, showing the equipment grouped by year of purchase, by manufacturer and by model.
D. Records shall be maintained in sufficient detail to show by acquisition date the total number of units and related costs for each type or model of equipment included in this account.
E. Equipment used exclusively for signaling or paging in connection with private radio-telephone systems shall be recorded in a separate subaccount.

Note: Charge account 612, Other Expenses, with the cost of installing and removing one-way service units and credit account 501.3, Installation and Special Charges, for the revenue obtained for installing and removing one-way service units.

208. Mobile Equipment for Two-way Service
A. This account shall include the original cost of equipment used in providing two-way radio-telephone service such as transmitters, receivers, decoders, mobile antennas, and associated apparatus and wiring which is mounted in vehicles or is hand portable.
B. Equipment used exclusively for private radio-telephone service shall be recorded in a separate subaccount of this account.
C. This account shall also include mobile units in stock.
D. This account shall be maintained on a group basis, showing the equipment grouped by year of purchase, by manufacturer, and by model.

Note: Charge account 612, Other Expenses, with the cost of installing and removing two-way service units and credit account 502.3, Installation and Special Charges, for the revenue obtained for installing and removing two-way service units.

209. Shop and Test Equipment
A. This account shall include the original cost of instruments, tools, and other equipment located in offices, shops, or vehicles, used in testing, maintaining and constructing radio-telephone plant.
B. Small tools and instruments or other equipment costing $50 or less may be charged directly to operating expense at the time of purchase.

210. Vehicles
A. This account shall include the original cost of transportation equipment used in radio-telephone testing, maintenance, construction work, sales and administration work.

B. Records shall be maintained to show the original cost of each vehicle.

211. Office Furniture and Equipment
This account shall include the original cost of office furniture and equipment owned and used by the radio-telephone utility.

ITEMS
(1) Adding Machines
(2) Addressing Machines
(3) Calculating Machines
(4) Postage Meter Machines
(5) Desks, Typewriters
(6) Filing Cabinets
(7) Book Cases, Tables and Chairs

INCOME ACCOUNTS

OPERATING INCOME

400. Operating Revenues
401. Operating Expenses
402. Depreciation and Amortization Expense
403. Income Tax
404. Other Operating Taxes

OTHER INCOME AND DEDUCTIONS
410. Other Income--Nonutility
411. Other Income Deductions--Nonutility
412. Interest Expense
413. Extraordinary and Delayed Items--Net

1. OPERATING INCOME ACCOUNTS

400. Operating Revenues
This account shall include the total revenues for the accounting period that are provided for in the operating revenue accounts 501 to 504 inclusive.

401. Operating Expenses
This account shall include the total expenses for the accounting period that are provided for in the operating expense accounts 600 to 612 inclusive.

402. Depreciation and Amortization Expense
This account shall be charged with that portion of the depreciation accrual credited to account 104, Accumulated Provision for Depreciation of Radio-telephone Plant, applicable to all classes of depreciable radio-telephone plant. This account shall also be charged with amortization of utility leasehold improvements.

Note A: See General Instruction 691.1 for more detailed instructions on depreciation accounting.

Note B: Depreciation and amortization on property not used in radio-telephone operations shall be charged to account 411, Other Income Deductions--Nonutility.

403. Income Tax
Incorporated utilities only shall charge to this account accruals of Federal income taxes for the current calendar year, computed on the basis that only radio-telephone operations amounts accounted for in the current year and interest expense allocable to such operations entered into taxable income.
Note: Personal income taxes of owners of unincorporated utilities should not be entered in utility accounts.

404. Other Operating Taxes
A. This account shall include all taxes, other than Federal income taxes, properly chargeable to radio-telephone operations. Among the taxes includible in this account are property, gross revenue or gross receipts, franchise, capital stock, social security and unemployment and all other taxes assessed by Federal, State, county, municipal or other local governmental authorities.
B. Taxes on property owned by the utility but not used in providing radio-telephone service should be charged to account 411, Other Income Deductions--Nonutility.
C. The following subdivisions of this account shall be maintained:

404.1 Property Taxes
404.2 Social Security and Unemployment Taxes
404.3 Other Federal, State and Local Taxes

2. OTHER INCOME AND DEDUCTIONS
410. Other Income--Nonutility
This account shall include all income not includible in operating revenue accounts 501 through 504, Operating Revenues.

ITEMS
1. Interest Income
2. Dividend Income
4. Net Gain on Sale of Nonradio-telephone Utility Property

411. Other Income Deductions--Nonutility
This account shall include all expenses, depreciation charges and taxes not related to radio-telephone utility operations.

ITEMS
1. Uncollectible accounts applicable to nonutility operations.
2. Contributions for charitable or community welfare purposes.
3. Expenses, including depreciation, amortization and taxes on nonradio-telephone utility property.
4. Country club dues, service club dues and items of similar nature.
5. Federal income taxes (plus or minus) related to the net of nonutility income.

412. Interest Expense
This account shall include all interest expense of the business, plus or minus net amortization of issue expenses, discount and premiums on debt issues.

413. Extraordinary and Delayed Items--Net
This account shall include extraordinary and delayed items of such size that their inclusion in regular income accounts would seriously distort those accounts. Include also the income tax effect (plus or minus) of the items included herein.

OPERATING REVENUE ACCOUNTS
501. One-Way Service Revenues (Signaling or Paging)
Subaccounts:
501.1 Minimum Message Service
501.2 Excess Over Minimum Calls
501.3 Installation and Special Charges
501.4 Equipment Rental
501.5 Equipment Maintenance Revenues
501.6 Interconnected Telephone Service
502. Two-Way Service Revenues
Subaccounts:
502.1 Minimum Message Service
502.2 Excess Over Minimum Calls
502.3 Installation and Special Charges
502.4 Equipment Rental
502.5 Equipment Maintenance Revenues
502.6 Transient Service
502.7 Interconnected Telephone Service
503. Private Radio Service Revenues
504. Other Utility Operating Revenues

ONE-WAY SERVICE REVENUES
501. One-Way Service Revenues (Signaling or Paging)
A. This account shall include all revenues from one-way service, including revenues from signaling and paging services, and shall be segregated by using the following subaccounts:
501.1 Minimum Message Service
This subaccount shall include all revenues from basic minimum message service.
501.2 Excess Over Minimum Calls
This subaccount shall include revenues from charges for additional messages over the basic monthly allowance.
501.3 Installation and Special Charges
This subaccount shall include the revenues received for the installation of one-way equipment. It also shall include revenues received for special services not charged for on a regular monthly or periodic basis, such as special maintenance charges, repair service mileage charges, disconnect and reconnect charges.
Note: Maintenance charges which are charged on a regular monthly or periodic basis should be included in subaccount 501.5, Equipment Maintenance Revenues.
501.4 Equipment Rental
This subaccount shall include revenues from the rental of one-way equipment to subscribers.
501.5 Equipment Maintenance Revenues
This subaccount shall include all revenues from maintenance of one-way equipment that is charged for on a regular monthly or periodic basis.
Note: Irregular maintenance charges which are not charged for on a regular monthly or periodic basis should be included in subaccount 501.3, Installation and Special Charges.
(B) The subaccounts may be further subdivided, if desired, to conform with the reporting requirements of the Federal Communications Commission.
501.6 Interconnected Telephone Service
This subaccount shall include all revenues received from subscribers for interconnected telephone services charged the utility under account 604.4, Interconnection Charges.

TWO-WAY SERVICE REVENUES
502. Two-Way Service Revenues
A. This account shall include all revenues from two-way service, and shall be segregated by using the following subaccounts:
502.1 Minimum Message Service
This subaccount shall include all revenues from basic minimum message service. It also shall include revenues from short-term users when the
service is not considered transient message revenue as described in subaccount 502.6, Transient Service.

502.2 Excess Over Minimum Calls
This subaccount shall include revenues from charges for additional messages over the basic monthly allowance.

502.3 Installation and Special Charges
This subaccount shall include the revenues received for the installation of two-way equipment. It also shall include revenues received for special services not charged for on a regular monthly or periodic basis, such as special maintenance charges, repair service, mileage charges, disconnect and reconnect charges.
Note: Maintenance charges which are charged on a regular monthly or periodic basis should be included in subaccount 502.5, Equipment Maintenance Revenues.

502.4 Equipment Rental
This subaccount shall include revenues from the rental of two-way equipment to subscribers.

502.5 Equipment Maintenance Revenues
This subaccount shall include all revenues from maintenance of two-way equipment that is charged for on a regular monthly or periodic basis.
Note: Irregular maintenance charges which are not charged for on a regular or periodic basis should be included in subaccount 502.3, Installation and Special Charges.

502.6 Transient Service
This subaccount shall include revenues from message service furnished to a subscriber of another radio-telephone utility when that subscriber is temporarily located within the service area of the reporting radio-telephone utility.
Note: Revenues from short-term users, who are not subscribers of other radio-telephone utilities, should be included in subaccount 502.1, Minimum Message Service.

502.7 Interconnected Telephone Service
502.7.1 Message Service Charges
Credit this subaccount for revenues received from radio-telephone subscribers for interconnected multimeessage unit and toll messages charged the radio-telephone utility under account 604.4, Interconnection Charges, subparagraph (3).

502.7.2 Other Line Revenue
A. Credit this subaccount for revenues received from radio-telephone subscribers for radio-telephone utility's other line (added on) rate(s) per message for interconnected local, foreign exchange and toll services.
B. The subaccounts may be further subdivided, if desired, to conform with the reporting requirements of the Federal Communications Commission.

503. Private Radio Service Revenues
A. This account shall include all revenues from private radio service.
B. This account may be further subdivided, if desired, to conform with the reporting requirements of the Federal Communications Commission.

504. Other Utility Operating Revenues
A. This account shall include all revenues from utility operations not provided for elsewhere, such as revenues from advertising other than in directories; overcharges on radio-telephone service; and profits realized from customer work performed for others incident to the
utility's radio-telephone operations.

B. This account may be further subdivided, if desired, to conform with the reporting requirements of the Federal Communications Commission.

OPERATING EXPENSE ACCOUNTS

600. Maintenance and Repair Expense
601. Rental Expense
602. Operators Wages
603. Contracted Operator Service Expense
604. Interconnecting Telephone Company Charges
605. Office Salaries
606. Sales and Advertising Expenses
607. Management Salaries
608. Office Supplies and Expense
609. Insurance Expense
610. Accounting, Legal and Other Services
611. Vehicle Expense
612. Other Expenses

600. Maintenance and Repair Expense
A. This account shall include the cost of labor, materials and supplies used, and contract maintenance services for the maintenance, repair, moves and charges of mobile and fixed station equipment. The labor and material cost of replacing a property unit component shall be charged to maintenance expense.

B. The maintenance and repair expenses shall be segregated by using the following accounts:
   600.1 Labor
   600.2 Materials and Supplies
   600.3 Contracted Maintenance (includes materials and services furnished by another person or company on a flat rate, lump sum amount, or other basis.)

   Note: The cost of installing* and removing mobile units shall be charged to account 612, Other Expenses.

* So in original. "installiting" should be "installing".

601. Rental Expense
A. This account shall include rental payments for equipment, real estate and other properties used in radio-telephone utility operations. Examples of such expenses are space rentals in buildings, attachments on pole lines, tower space, antenna space, and space for transmitter, receiver and microwave facilities.

B. Rental expense shall be segregated into the following subaccounts:
   601.1 Rental of Mobile Equipment
   601.2 Rental of Fixed Station Equipment and Sites. Includes--land, building, antenna space and equipment.

   Note: Rental expenses for leased land-line facilities should be included in account 604, Interconnecting Telephone Company Charges. Rental expenses for office space and equipment should be included in account 608, Office Supplies and Expense, and rental expenses for vehicles should be included in account 611, Vehicle Expense.

602. Operators Wages
This account shall include the pay to operators handling messages of the radio-telephone utility.

603. Contracted Operator Service Expense
This account shall include operator services furnished to the utility by outside parties on a contract basis.
604. Interconnecting Telephone Company Charges
Interconnecting telephone company charges shall be segregated by using
the following subaccounts:
604.1 Rental of Radio-Telephone Interconnecting Facilities
Debit this account with amounts charged by the interconnecting
telephone company to the utility for installation and/or move and change
charges, private branch exchange facilities, supplemental or special
equipment, and other related facilities under special contracts.
604.2 Rental of Radio Control Telephone Lines
604.3 Company Business Office Telephone Service
604.4 Interconnection Charges
A. Debit this account with the monthly settlement amounts charged by
the interconnecting telephone company for:
   (1) Interconnection circuits to the local exchange (either message
   rate or flat rate as applicable from tariff for the interconnecting
   telephone company's local exchange).
   (2) Interconnection circuit(s) to each foreign exchange (mileage and
   exchange charges under the interconnecting telephone company's filed
   tariff).
   (3) The interconnecting telephone company's filed rate charge for each
   interconnected message sent paid or received collect, by the
   radio-telephone utility.
605. Office Salaries
This account shall include the salaries of all employees (other than
the manager, owner or principal stockholders, and telephone operators)
whose time is utilized in billing, collecting, record keeping, or
general office work.
Note: Fees paid to independent accountants, attorneys and engineers
should be charged to account 610, Accounting, Legal and Other Services.
606. Sales and Advertising Expenses
This account shall include sales and advertising expenses incurred in
canvassing for new business, including salaries and commissions paid to
salesmen and sales agents.
607. Management Salaries
A. This account shall include the portion of salaries of managers,
owners, partners or principal stockholders of a radio-telephone utility
chargeable to utility operations.
B. No portion of such salaries chargeable to utility operations shall
be allocated to other expense accounts, even though the owner or manager
may perform other duties (e.g. operating, billing, collecting,
maintenance) in addition to managing the utility.
Note A: Drawings by partners or owners of noncorporate utilities in
addition to amounts designated as "salaries" for operating the utility
shall be charged to subaccount 154.1, Proprietary Drawings.
Note B: The portion of salaries of managers, owners, partners or
principal stockholders assignable to radio-telephone plant construction
shall be charged to account 100, Radio-telephone Plant in Service, or to
account 101, Radio-telephone Plant Under Construction, as appropriate.
608. Office Supplies and Expense
This account shall include the cost of office supplies and expenses,
including postage, printing, stationery, subscriber billing forms,
general accounting supplies, addressing machine supplies, repair,
maintenance and rental of office and equipment, utilities other than
telephone service, and other office expenses.
Note: Rental expenses for vehicles used in radio-telephone utility operations should be included in account 611, Vehicle Expense.

609. Insurance Expense
This account shall include all insurance costs applicable to the accounting period, including Workmen’s Compensation, liability, vehicle, fire and theft or robbery insurance.
Note A: Insurance dividends and refunds shall be credited to this account.
Note B: The cost of policies extending over a period of more than one year shall be prorated over the period of the coverage.

610. Accounting, Legal and Other Services
This account shall include the fees of independent accountants, engineers, lawyers, and similar professional consultants chargeable to utility operations.

611. Vehicle Expense
This account shall include all truck, automobile, construction equipment and other vehicle expenses chargeable to utility operations, except depreciation and insurance.

ITEMS
(1) Tires
(2) Batteries
(3) Lubrication
(4) Fuel
(5) Oil
(6) License Fees
(7) Vehicle and equipment rentals
(8) Repairs

612. Other Expenses
This account shall include all expenses not includible in other operating expense accounts.

ITEMS
(1) Subscriptions
(2) Employee Pensions
(3) Regulatory Commission Expense
(4) Association Dues
(5) Uncollectible Accounts
(6) Collection Agency Fees
Note A: Uncollectible accounts shall be entered in a separate subaccount of this account.
Note B: Also see account 113, Accumulated Provision for Uncollectible Accounts--Credit.
Note C: Charge utility plant equipment lost, stolen or damaged by a subscriber to account 104, Accumulated Provision for Depreciation of Radio-telephone Plant.

LIST
SUGGESTED LIST OF PROPERTY UNITS
(See Note following § 684.5, supra)

General
Land
Buildings
Leasehold Improvements
Furniture and Fixtures (each major piece)
Office Equipment (each major piece)
Vehicle
Base Stations
Antennas
Coaxial Cable (transmitter to antenna)
Transmitters (including cabinets and control equipment at base station)
Receivers
Auxiliary Power Supply
Message Centers
Radio or Microwave Control Units
Encoders
Tape Recording Assemblies
Station Identifying Units
Monitoring Radio Receivers
Operating Board or Console (including dials, switches, lights, microphones, wiring and card racks)
Time Clocks
Mobile Stations
Two-Way Mobile Stations {2}
One-Way Mobile Stations
Selective Signaling Units {2} (where separate)

FOOTNOTE: {1} Each unit of the following categories (unless otherwise stated), i.e., each parcel of land, each building, each location for leasehold improvements, etc.
{2} Vehicular wiring and antennas shall be charged to expense at time of installation and shall not be included under property units.

SUBCHAPTER F
Miscellaneous
PART
685 Utility Contract and Procurement Procedures
686 Contracts or Agreements for the Construction, Improvement, Extension or Maintenance of Utility Plant
687 Numbering Poles or Structures for Carrying Overhead Wires
688 Filing of Directories of Subscribers
689 Telephone Facility Construction--Clearance from Subsurface Gas and Liquid Petroleum Pipeline Facilities

PART 685
UTILITY CONTRACT AND PROCUREMENT PROCEDURES
(Statutory authority: Public Service Law, § 115)

Sec.
685.1 Utility contract and procurement procedures
685.2 Filing of changes in procedures

Section 685.1 Utility contract and procurement procedures.
(a) Every telephone and telegraph corporation subject to the jurisdiction of this Commission with annual gross operating revenues in excess of $2,000,000 shall file, in accordance with the requirements of § 3.5 of this Title, with the Commission its procedures which govern the contracting for and procurement of services, equipment or materials to be used in its utility operations. These statements shall:
(1) Describe the circumstances in which cost estimates will be prepared and the procedures for awarding a contract which exceeds such
an estimate. Such estimates, when prepared:

(i) Shall be related to market conditions and trends as well as the utility's own experience; and

(ii) Where competitive bidding is employed, shall remain confidential until after the bids are opened.

(2) Where competitive bidding is employed, specify the procedures used in preparing and maintaining lists of qualified bidders by geographical area, type of material or service provided, and degree of capability, including:

(i) The criteria used for including or excluding bidders;

(ii) A description of the circumstances in which all bidders on such a list will not be solicited in instances where the utility uses competitive bidding; and

(iii) A provision that in the absence of such a list, all requests to be allowed to bid that are not honored, shall be reviewed within the utility.

(3) Where competitive bidding is employed, specify the procedure to be employed to ensure that sealed bids are opened at the time and place specified.

(4) Specify the procedure employed in making awards in the absence of bids or, where competitive bidding is employed, to a person other than the low bidder.

(5) Specify the procedures employed in reviewing contract expenditures, relating such expenditures to any cost estimate, the amount of the award and existing market conditions.

(6) Include a requirement for disclosure to the utility of any ownership or beneficial interest in potential suppliers by employees involved in specifying or procuring services, equipment and materials, which requirement shall provide that no employee in the purchasing department nor anyone with authority to review or approve a purchasing decision shall have such an interest, except in accordance with such rules as the utility may develop and file with this Commission.

. SO DOC 16C-685.2

685.2 Filing of changes in procedures.

Each such telephone and telegraph corporation shall file with this commission any change in these procedures at least 30 days before they are to be effective, unless otherwise authorized by this commission.

. SO DOC 16C-PT686

PART 686

CONTRACTS OR AGREEMENTS FOR THE CONSTRUCTION, IMPROVEMENT, EXTENSION OR MAINTENANCE OF UTILITY PLANTS

(Statutory authority: Public Service Law, 8 115)

Sec.

686.1 Filing of proposed contract
686.2 Subcontract on cost-plus basis
686.3 Emergency contract
686.4 Quarterly filing of contract
686.5 Waiver of rule

.SO DOC 16C-686.1

Section 686.1 Filing of proposed contract.

(a) Every public utility company subject to the jurisdiction of this Commission shall file, in accordance with the requirements of 8 3.5 of this Title, with this Commission one copy of every proposed cost-plus contract or agreement, including those contracts or agreements in which
the payment to be made by the utility is based on time and material consumed regardless of the number of units completed, for the construction, improvement or extension of its plant, works or system exceeding in amount $100,000 in any calendar year, and a list of any other offers received, and such contract or agreement shall not become effective until it has been on file with this Commission for 30 days, or until the Commission has notified the utility that such contract or agreement may be made effective immediately. If during the 30 day period, the Commission determines that it is in the public interest for the contract or agreement for the work proposed to be performed to be let after public bidding, the Commission will notify the public utility company, and the filed contract or agreement will not become effective. In such circumstances the public utility shall proceed to make a public offering of the proposed work in accordance with the direction of the Commission.

(b) When the accumulated amount of all other such contracts or agreements awarded to a single contractor in any calendar year has exceeded $100,000, a list of such contracts, including any other offers received, shall be filed, in accordance with the requirements of § 3.5 of this Title, with the Commission by March 1 of the succeeding year.

686.2 Subcontract on cost-plus basis.

In view of the fact that a so-called subcontract covering any part of the work to be performed under a cost-plus contract or agreement entered into by a public utility company is, in effect, the contract or agreement of the public utility company within the meaning of § 115 of the Public Service Law, every such subcontract on a cost-plus basis, proposed to be let under a principal contract or agreement which is subject to § 686.1 hereof, shall be filed, in accordance with the requirements of § 3.5 of this Title, with the Commission in accordance with the requirements of provisions of such section. All such contracts or agreements shall contain suitable provisions to give effect to the provisions of this Part. This section shall not apply to a subcontract which provides by its terms that the maximum payment thereunder shall not exceed the sum of $5,000.

686.3 Emergency contract.

In case a storm, flood, accident or similar emergency requires that a contract or agreement be made without complying with the foregoing provisions of this Part in order to maintain or restore the company's service, immediate notice shall be given to the Commission by telephonic of the making of such contract or agreement, and a copy thereof shall be filed, in accordance with the requirements of § 3.5 of this Title, as soon as possible, but not later than 10 days after the making thereof, and such contract or agreement shall be exempted from the other provisions of this Part.

686.4 Quarterly filing of contract. Every public utility company subject to the jurisdiction of this commission shall file with this commission quarterly, one copy of every contract or agreement for the construction, improvement, extension or maintenance of its plant, works or system exceeding in amount $1,000,000 in any calendar year, and a list of any other offers received.
Waiver of rule. Any public utility company may apply to this commission for a waiver or modification of all or part of the requirements of this Part upon a showing that compliance therewith would be impracticable or unduly burdensome in connection with a particular project, contract or agreement.

PART 687
NUMBERING POLES OR STRUCTURES FOR CARRYING OVERHEAD WIRES
(Statutory authority: Public Service Law, § 115)

Sec. 687.1 Stenciling and numbering poles (Second District)

Section 687.1 Stenciling and numbering poles (Second District).

(a) Each and every electrical corporation, municipality, telephone corporation, telegraph corporation, railroad corporation, and street railroad corporation owning poles, towers, or frames, hereinafter termed structures, in streets, highways, or public places, or on private rights of way, for supporting and carrying overhead electric wire system for the transmission or distribution of electric energy for light, heat, or power, or for the operation of electric cars or trains, or for telephoning or telegraphing, or for supporting electric lamps or fixtures, shall on or before January 1, 1913, stencil each such structure, except as hereinafter provided, as follows: to wit,

(1) with the initials of its name, abbreviation of its name, corporate symbol, or other distinguishing mark by which the owner of each such structure readily and definitely may be determined;

(2) with a number by which the location of each such structure may be described.

(b) The manner of making such stencils shall be preferably with paint, otherwise with metal tags, badges, or stamps as each such corporation may elect to use; and that the characters of the stencil shall be of such size and so spaced and hereafter maintained as to be easily read from the surface of the ground at a distance of six feet from the structure.

(c) In the case of two or more companies jointly owning any such structure, the distinguishing mark of each company shall be placed on such structure but not more than one number necessarily shall be placed thereon.

(d) In the case of such structures carrying or supporting overhead trolley wires where there is a double line of structures, one on each side of the railroad track, such stencil need be affixed to but one line of such structures.

(e) In the case of such structures erected upon private rights of way or on the public highways, of such character that the construction may be deemed to be a through or trunk line, such stencil need be affixed only to every fifth structure; provided however that each and every such structure situate within the limits of any city, village, or hamlet shall be stenciled, except as otherwise provided in subdivision (d) herein. Where every fifth structure is stenciled, the commission suggests that that number of the mile from the starting point of the construction be placed on the structure stenciled, and also the number of every fifth structure within that mile. And the commission further suggests that all such structures situate within the limits of every city, village, and hamlet shall be numbered consecutively along each
street, avenue, or highway for the distance upon which structures are located.

(f) The requirements herein shall apply to all existing and future constructed structures and to all changes in the ownership of structures.

(g) Every such corporation shall file with this commission on or before May 1, 1912, a statement showing-

1. The initials, abbreviations of name, corporate symbol, or other distinguishing mark intended to be used;
2. The means of stenciling to be employed: to wit, paint, metal tags, badges, or stamps;
3. The method intended to be followed in numbering structures: to wit, within the limits of cities, villages, and hamlets; and upon through or trunk lines.

Note: The above section 687.1 was originally promulgated as Case No. 2499 (Second District).

PART 688
FILING OF DIRECTORIES OF SUBSCRIBERS
(Statutory authority: Public Service Law, § 115)

Sec. 688.1 Directories to be filed

Section 688.1 Directories to be filed.

Each and every telephone corporation subject to the jurisdiction and under the supervision of this commission is hereby directed and required to file with this commission a copy of each and every directory of its subscribers and patrons which was in use by it on the first day of September, 1910, such directories to be filed on or before the first day of October, 1910. Each and every such corporation is hereby directed to file from time to time with this commission a copy of each and every such directory as it may hereafter issue or may have issued since September 1, 1910, such filing to be made immediately upon the issue of such directory.

PART 689
TELEPHONE FACILITY CONSTRUCTION--CLEARANCE FROM SUBSURFACE GAS AND LIQUID PETROLEUM PIPELINE FACILITIES
(Statutory authority: Public Service Law, §§ 91, 94, 98)

Sec. 689.1 Definitions

689.2 Clearance requirements of new telephone facilities from gas and liquid petroleum pipelines

689.3 Clearance requirements of subsurface telephone facilities constructed to replace existing facilities

Section 689.1 Definitions.

When used in this Part (16 NYCRR Part 689), the terms set forth in this section shall be defined as follows:

(a) Subsurface telephone facilities means all underground cables, conduits, manholes or any other subsurface structures, including poles and anchors, utilized to furnish telephone service and owned or operated by any telephone company under the jurisdiction of the New York State Public Service Commission.
(b) Gas transmission facilities means gas pipelines that:
(1) Transport gas from a production or underground storage facility to a distribution center or underground storage facility; or
(2) Transport gas within a storage field, or
(3) Operate at a pressure of 125 psig or more. (See also 16 NYCRR 255.17 (d)).

(c) Gas distribution facilities means gas pipelines other than gas transmission facilities and includes gas service lines. (See also 16 NYCRR 255.17(e)).

(d) Gas service lines means gas pipelines that transport gas from a common source of supply to the outlet of the customer meter set assembly, or to the first fitting inside the wall of the customer's structure through which the service line enters, whichever is further upstream. (See also 16 NYCRR 255.17 (f)).

(e) Liquid petroleum pipeline means a pipeline that either:
(1) Transports liquid petroleum from a production or storage facility to a distribution center or storage facility, or
(2) Transports petroleum within a production field, and
(3) Is certified to operate at a pressure of 200 psig or more. (See also 16 NYCRR 258.1(g) and 258.1(j).)

(f) New means constructed on or after July 18, 1974 and utilized to provide services not previously provided or to supplement existing services.

NYCRR
689.2 Clearance requirements of new telephone facilities from gas and liquid petroleum pipelines. (a) All new subsurface telephone facilities shall be constructed with a standard minimum 12 inches of clearance from gas transmission facilities.

(b) All new subsurface telephone facilities shall be constructed with a standard minimum six inches of clearance from gas distribution facilities.

(c) All new subsurface telephone facilities shall be constructed with a standard minimum 12 inches of clearance from liquid petroleum pipelines.

(d) The standard minimum clearances specified in subdivisions (a), (b), and (c) of this section, when not obtainable through practical means, may be reduced to an absolute minimum of four inches, provided that such reduction is agreeable to all companies involved and that protective materials suitable to all companies are placed between the telephone and gas or liquid petroleum facilities for the entire length of such reduced clearances.

(e) All new subsurface telephone facilities shall be constructed with a standard minimum four inches of clearance from gas service lines, except that where four inches of clearance is not obtainable through practical means it may be reduced to an absolute minimum of two inches, provided such reduction is agreeable to all companies involved and that protective materials suitable to all companies are placed between the telephone facilities and the gas service lines for the entire length of such reduced clearances.

NYCRR
689.3 Clearance requirements of subsurface telephone facilities constructed to replace existing facilities. Telephone facilities constructed on or after July 18, 1974, to replace existing telephone facilities are subject to the clearance requirements of section 689.2 of
this Part.

CHAPTER VII
Provisions Affecting Two or More Kinds of Public Service

PART
Subchapter A-B (Reserved)
Subchapter C Rates and Charges 720
Subchapter D Records and Reports 730
Subchapter E (Reserved)
Subchapter F Miscellaneous 753

SUBCHAPTER C
Rates and Charges
Part
720 Construction and Filing of Tariff Schedules

PART 720
CONSTRUCTION AND FILING OF TARIFF SCHEDULES
(Statutory authority: Public Service Law, 66(12), 80(10), 89-c(10), 92(1))

Subpart 720-1 General Provisions
Subpart 720-2 Filing Procedures
Subpart 720-3 Form and Construction of Schedules
Subpart 720-4 Changes
Subpart 720-5 Notations on Leaves and Supplements
Subpart 720-6 Escalator Clauses
Subpart 720-7 Powers of Attorney and Concurrences
Subpart 720-8 Newspaper Publication
Subpart 720-9 Bill Inserts
Appendix 7-H

SUBPART 720-1
General Provisions

Sec.
720-1.1 Definitions
720-1.2 Exceptions
720-1.3 Filing of Schedules
720-1.4 Filing of Contracts
720-1.5 Appendix: Form for Title Page of Contracts
720-1.6 Responsibility for Filing

Section 720-1.1 Definitions.
(a) The term public utility when used in this Part means an electric corporation, a gas corporation, a steam corporation, a telephone corporation, or a water-works corporation as defined in section 2 of the Public Service Law; a municipality providing utility service; and common carriers.

(b) The term municipality means a municipal corporation subject to the Commission's jurisdiction that furnishes electricity, gas, or steam to the public.

(c) Any period of notice required in this Part shall begin on and include the date the schedule is received by the Commission, but shall not include the effective date. In computing the notice required, Saturdays, Sundays and holidays shall be counted.
The term filing refers to either an electronic filing made through the Electronic Tariff System (ETS) or a paper or hard copy filing of documents.

As applied to electric, gas, and steam corporations and municipalities:

1. Metropolitan district means the counties of New York, Bronx, Kings, Queens, Richmond, Putnam, Nassau, Suffolk, Westchester, Orange and Rockland.

As applied to telephone corporations, the terms:

1. Exchange schedule means a schedule containing the specific rates, charges, rules, and regulations for local service in each exchange operated by a single telephone corporation.
2. General schedule means a schedule containing the general rates and charges and the governing rules and regulations for communication services and facilities in the several exchanges operated by a single telephone corporation.
3. Joint schedule means a schedule containing rates and charges for any kind of telephone service rendered by more than one telephone corporation participating in such rates and charges.
4. Local schedule means an individual schedule of a telephone corporation containing rates, charges, rules, and regulations for any kind of service which is rendered entirely by the issuing corporation.
5. Toll schedule means a schedule containing the rates, charges, rules, and regulations for telephone service between stations in one local calling area and those in another local calling area.

Exceptions. This Part does not apply to:

a. a contract between a municipality, an electric, gas or a steam corporation, and State, municipal, or Federal authorities, under which electricity, gas, or steam is furnished for State, municipal, or Federal use and not for resale;

b. a contract between telephone corporations; or

c. a contract for the sale of water by a waterworks corporation to State, municipal, or Federal authorities.

Filing of schedules.

a. Except as otherwise provided by section 720-4, every public utility shall file schedules with the Commission showing all rates and charges made, established, or enforced, or to be charged or enforced, all forms of contract or agreement, and all rules and regulations relating to rates, charges or service used or to be used. This information shall be readily accessible to the public during normal business hours.

b. In the case of an individual or partnership doing business under an assumed name, both the assumed name and that of the individual or partnership shall be shown.

c. Suitable notice shall be provided to consumers as to how a utility's tariff schedule may be accessed. Such schedules shall contain those leaves, supplements, and statements which are in effect or are proposed to take effect in the future, including schedules filed with the Commission but not yet effective.

d. All schedules legally filed with the Commission shall continue in force until legally changed. The Commission may direct the reissue or modification of any schedule, or any part of a schedule, at any time.
(e) Schedules containing joint toll rates or charges participated in by telephone corporations not subject to the jurisdiction of this Commission shall be filed by the telephone corporation which is subject to the jurisdiction of the Commission.

(f) A telephone corporation issuing a joint publication shall send copies to each telephone corporation party thereto as soon as issued. Joint publications may be issued only when duly executed powers of attorney or concurrences have been filed with the Commission.

720-1.4 Filing of Contracts.

(a) Contracts between public utilities for the sale, purchase, or interchange of electricity, gas, steam, or water need not be executed according to rate schedules filed as required by ð 720-1.3 when such contracts are limited to service to be used by the purchasing utility in the conduct of its utility business (including supply to concessionaires who occupy space in the property of such utility and who furnish service for the convenience of the customers of said utility) or to be supplied to another public utility for use in a utility business. All other contracts for the sale, purchase, or interchange of electricity, gas, steam, or water must be executed according to the provisions in appropriate service classifications duly filed and posted. All such contracts not executed according to service classifications in rate schedules shall be filed, in accordance with the requirements of ð 3.5 of this Title, by the purchase with the Commission not later than 30 days after execution. If the purchaser is not subject to the jurisdiction of the Commission, such documents shall be filed by the party which is subject to the jurisdiction of the Commission. Contracts so filed shall be numbered in consecutive order by the party filing them.

(b) Contracts, which by reference include provisions of tariffs filed with the Federal Energy Regulatory Commission, shall be accompanied by copies of such provisions. Whenever revisions are made to the tariffs filed with the Federal Energy Regulatory Commission which affect the terms of the contract, these revisions shall also be filed with the contracts.

(c) Contracts shall have a title page on which shall be shown the information set forth in ð 720-1.5 of this Part.

720-1.5 Appendix: Form for Title Page of Contracts.
(Applicable to contracts filed in accordance with 16 NYCRR ðð 720.1)

Contract No.________________________
Superseding Contract No.____________________
(Other Parties to Contract)

*REDACTED COPY - CONFIDENTIAL TRADE SECRET STATUS REQUESTED

**Type of contract______________________________
Term_________________________________________
Date of Execution_______________________________
Date Effective_________________________________

* Enter only if applicable
**Types of Contracts
720-1.6 Responsibility for Filing.

(a) Each public utility shall file copies of its schedules with the Commission, in a form prescribed by the Department of Public Service, showing all rates and charges made, established, or enforced, or to be charged or enforced, all forms of contract or agreement, except as provided in section 720-1.4, and all related rules and regulations. The acknowledgment of the receipt of any schedule by the Commission, or the fact that any schedule, amendment, supplement, or statement is on file with the Commission shall be without prejudice to investigation and subsequent determination by the Commission as to its lawfulness, either upon complaint or on its own motion, and without prejudice to suspension, change, or rejection as may be provided by law.

(b) Corporations and municipalities shall file schedules and contracts as provided under this Part immediately upon becoming subject to the jurisdiction of the Commission.

720-2.1 Number of Copies

(a) Public utilities shall file a copy of all schedules, amendments, statements, supplements, and addenda.

(b) All schedules, amendments, supplements, statements and addenda, shall be accompanied by a letter of transmittal using a format specified in the Department of Public Service's Electronic Tariff System: Utility Preparer's Guide.

720-2.2 Information to Accompany Letter of Transmittal. In the case of schedules or amendments, except those published under authority of an order of the Commission, each letter of transmittal shall be accompanied by the following information.

(a) The changes which are proposed to be made and the reason for each change.

(b) An estimate of the following items in connection with each service classification or rate table in which any change is made in rates, rentals, or charges, together with a statement of the nature and extent of the data upon which such estimate is based:
(1) The number of customers or customers' bills increased.
(2) The number of customers or customers' bills decreased.
(3) The number of customers or customers' bills not affected.
(4) The gross increase in revenues.
(5) The gross decrease in revenues.

(c) When a new service classification or service offering is filed covering a new territory or providing for service to new customers only, so that there is no change in any existing service classification or service offering and no transfer of customers from an existing service classification or service offering to the new one, the above information need not be furnished, but a statement shall be filed stating the purpose and reason for the new service classification or service offering, the basis for the rates, the estimated annual revenue to be derived, and the estimated number of customers to be served.

720-2.3 Notice Required.
(a) Except as provided by Sections 720-2.4, 720-5.1, 720-5.2, 720-5.3, and 720-5.4 of this Part, and excluding the initial tariff filing in major rate cases, every schedule, amendment, statement, supplement, or addenda which requires compliance with the State Administrative Procedure Act shall be filed with the Commission, with an effective date no earlier than 45 days after publication of the filing in the State Register. Telecommunications companies non-basic filings shall be filed at least 10 days prior to the date on which they are proposed to be effective. Any other filing, including the initial tariff filing in a major rate case, shall be filed not less than 30 days prior to the date on which it is proposed to be made effective.

(b) A request to postpone the effective date of a schedule previously filed shall be made to the Secretary. The Secretary is delegated the authority to approve changes to filed schedules which postpone the effective date of such filed schedules and to allow such postponement to take effect, for good cause shown, on less than thirty days' notice to the Commission and without publication of notice to the public. The procedure set forth in Subdivisions (b) through (d) of Section 720-2.4, shall be followed to effectuate the postponement of the effective date of a filed schedule.

720-2.4 Short Notice.
(a) Except as provided in Subdivision (b) of Section 720-2.3, the power of the Public Service Commission to permit changes in existing schedules on less than 30 days' notice will be exercised only in cases where an emergency or other justifying conditions are demonstrated.

(b) Any public utility desiring to change an existing schedule on less than 30 days' notice shall file with the Commission a schedule, amendment, or supplement containing the proposed change, bearing an effective date not less than 30 days after filing, and an application as prescribed in Section 720-2.5 requesting authority to put such schedule, amendment, or supplement into effect at an earlier date.

(c) If the application is granted, a special permission order will be issued specifying the date on which the schedule, amendment, or supplement shall become effective.

(d) On schedules, amendments, statements, supplements, or addenda authorized to be made effective on less than 30 days' notice (10 days for telecommunications non-basic service), a notation in the following
form (on each leaf in the case of an entire schedule) shall be shown:

EFFECTIVE under authority of PSC (order no.) made (order issuance date).

720-2.5 Appendix: Form for Application for Short Notice.

(Name of Corporation or Municipality)

Public Service Commission
3 Empire State Plaza
Albany, New York 12223-1350

(Name of Corporation or Municipality)

__________________________________________ (Date)

___________________________, hereby applies under

(Name of Public Utility)

Subdivision 12 of Section 66 (Electricity or Gas)

or

Subdivision 10 of Section 80 (Steam)

or

Subdivision 10 of Section 89-c (Water)

or

Subdivision 2 of Section 92 (Telephone)

of the Public Service Law for permission to put the following in effect on ________________:

(Date)

(Here list items for which permission is requested)

This application is based on the following special circumstances and conditions:

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

(Name of Public Utility)

By____________________

(Signature of Officer)

____________________

(Title of Officer)

AFFIDAVIT

State of New York
County of __________

being duly sworn, says that (s)he is the officer named in the foregoing application that (s)he has read said application and knows the contents thereof, and that the same is true of his/her own knowledge, except as to the matters therein stated to be alleged on information and belief, and as to those matters (s)he believes it to be true.

Subscribed and sworn to before me this __________ day of __________

(Name of Affiant)

_________________________________

(Notary Public)

720-2.6 Short Notice - Resale of Telephone Service.

The Public Service Commission has determined that it is in the public interest to permit liberal modification of service offerings within the limits authorized by a reseller's certificate of public convenience and necessity. It has also determined that it is in the public interest to
permit rates for resale of telephone services to fluctuate freely between the maximum and minimum rates established in filed tariffs. Because good cause for flexibility in service offerings and rates has been shown for this industry, changes in the maximum and minimum rates, except major rate changes as defined by Public Service Law, Section 92(2), may become effective immediately upon compliance with the notice provisions of State Administrative Procedure Act, Section 202. All companies increasing or decreasing a charge within the applicable maximum and minimum rates or making a service change shall notify affected customers and the Commission of the new charge or service change no later than the date the charge is first applied or the date the service change is first implemented.

Subpart 720-3
FORM AND CONSTRUCTION OF SCHEDULES

Section 720-3.1 Designation. Electric, gas, steam, water, and telephone schedules shall be issued in separate series. The schedules in each series shall be numbered in consecutive order. The schedule number shall have as a prefix "P.S.C. No.", and as a suffix "Electricity, Gas, Steam, Water or Telephone", as appropriate. The schedule or schedules to be superseded, if any, shall be shown.

Section 720-3.2 Arrangement. Schedules shall be prepared and arranged as follows:
(a) Title Page;
(b) Table of Contents;
(c) General Information;
(d) Service Classifications or Rate Tables;
(e) Statements;
(f) Supplements;
(g) Orders of the Commission;
(h) Addenda.

Section 720-3.3 Preparation.
(a) Tariff changes shall be made using a format specified in the Department of Public Service's Electronic Tariff System: Utility Preparer's Guide.
(b) Notations or markings shall not be made on any schedule, supplement, or statement, except as specifically provided for in sections 720-2.4, 720-5.1, 720-5.2, and 720-5.3.
(c) References to localities outside of the State of New York shall include the name of the state.

Section 720-3.4 Numbering of Leaves. Numbering of leaves shall follow a format specified in the Department
Except as provided under section 720-1.4 or where service is provided pursuant to contractual or arrangements between the customer and the utility (i.e., a "flex rate" contract) as may be authorized by the Commission, where a public utility requires an applicant to make written application for service, each form of contract or agreement shall provide for service under the regularly filed rates, charges, or rentals and shall be shown either as a part of each service classification or rate table to which it is applicable or under general information, with an appropriate reference in each service classification or rate table to which it is applicable. Each form shall show either therein or by reference to the schedule, the nature and extent of the service to be rendered, the rates and charges to be made, all rules and regulations applicable, and all privileges and facilities granted or allowed.

(a) Each service classification and rate table shall be complete in itself, except that reference may be made to rules and regulations appearing in the general information section of the schedule or in a separate general information schedule. General rules and regulations appearing or referred to in a schedule under general information shall apply to service to be furnished under each service classification and rate table unless otherwise expressly provided. Any exception to the application of a general rule or regulation must be clearly stated.

(b) Service classifications shall be numbered consecutively beginning with No. 1. Rate tables shall be arranged by parts and alphabetically by exchange.

Amendments shall be numbered using a format specified in the Department of Public Service's Electronic Tariff System: Utility Preparer's Guide.

Formats for additional leaves, service classifications, and rate tables shall follow a format specified in the Department of Public Service's Electronic Tariff System: Utility Preparer's Guide.
(c) If the type of service furnished under a canceled service classification is to be entirely discontinued, the superseding leaf shall read:

Service Classification No. _____ is cancelled.

NYCRR 720-4.4 Numbering of Cancellations.

If a schedule, amendment, supplement, or statement is cancelled, the number it bears shall not be used again.

NYCRR 720-4.5 Substitutions or Withdrawals.

No schedule, amendment, supplement, or statement duly filed with the Commission will be returned. No substitution for or withdrawal of any schedule, amendment, supplement, or statement filed with the Commission will be permitted.

NYCRR SUBPART 720-5

NOTATIONS ON LEAVES AND SUPPLEMENTS

Sec.

720-5.1 Ordered Revisions
720-5.2 Authorized Revisions
720-5.3 Adoption by Successor
720-5.4 Supplements
720-5.5 Notations on Schedules
720-5.6 Appendix: Form for Adoption Notices

NYCRR 720-5.1 Ordered Revisions.

When rates, charges, rules, or other tariff provisions are prescribed by Commission order, the changes shall be established by amendments to or reissue of the affected schedule or schedules. Each affected leaf shall bear the following notation:

"Issued in compliance with order in C. (case number) dated (mm/dd/yyyy; date of order)."

NYCRR 720-5.2 Authorized Revisions.

When rates, charges, rules, or other provisions are authorized to be filed by order of the Commission, the changes made shall be established by amendments to or reissuance of the affected schedule or schedules. Each affected leaf shall bear the following notation:

EFFECTIVE under authority of PSC (order no.) made (order issuance date).

NYCRR 720-5.3 Adoption by Successor.

(a) Upon the change of name or upon transfer of franchise or other operating rights from one public utility to another, the successor shall immediately file a notice adopting the publications issued under this Part and in effect (as described in Section 720-5.6) or issue new publications.

(b) A consecutively numbered supplement (which may be made effective as of the date filed with the Commission) shall be issued to each schedule then in effect by the successor public utility substantially as follows:

"Supplement No. _____ to P.S.C. No. ____ (Electricity, Gas, Steam, Water or Telephone), filed by (name of predecessor public utility)."
The (name of public utility) hereby adopts, ratifies, and in every respect makes its own as if the same had been originally filed by it, P.S.C. No. ____ (Electricity, Gas, Steam, Water, or Telephone), filed with the Public Service Commission, State of New York, by (name of predecessor public utility)."

(c) Every adopted schedule shall be reissued by the successor public utility under the proper P.S.C. number in its series within one year after the date of adoption.

(d) Every adopted contract shall be renumbered by the successor public utility in its series within 30 days after the date of adoption and the Commission shall be notified.

(e) When a waterworks corporation is being discontinued and the territory is to be transferred to a water district, a supplement (which may be effective as of the date filed with the Commission) shall be filed by the public utility bearing a notice substantially as follows:

"The rules, rates, and regulations contained in this schedule are hereby canceled. The works and system of the (name of company) were transferred on (date) to Water District No. ________ of the Town of __________ in accordance with permission granted by the Public Service Commission in Case ______________."
Notations on Schedules.

The following notations are prescribed for marking schedules affected by orders of the Commission. Where an entire schedule is affected, each leaf shall be marked.

(a) Where one or more leaves are suspended by order of the Commission, each suspended leaf shall be marked with the notation shown below:
   SUSPENDED by order in Case (case no.).
   See Suppl. No. (suppl).;

(b) Where a suspension is vacated, the following notation shall be added:
   Suspension in Case (case no).
   VACATED, See Suppl. No. (suppl).;

(c) Where suspended matter is ordered cancelled, the following notation shall be added:
   SUSPENDED matter in case (case no.)
   Ordered cancelled by order issued (date);

(d) Where the effective date of one or more leaves is postponed, the following notation shall be placed on the leaf or leaves.
   Effective date POSTPONED to (date)
   See Supplement No. (suppl);

(e) Where the rates are allowed to become effective under Section 113 of the Public Service Law, the following notation shall be placed on the leaf or leaves containing the rates:
   EFFECTIVE
   under Section 113 of the PSL in case (case no.);

(f) Where rates have been continued unchanged after the completion of a Section 113 proceeding, the following notation shall be added to the leaves affected:
   Case Closed ________________ (date)

(g) For notation in compliance with special permission authority, see Section 720-2.4.

Appendix: Form for Adoption Notices.

(Name of Public Utility)
Adoption Notice No.
(Name of Public Utility) hereby adopts, ratifies, and makes its own, in every respect, as if the same had been originally filed by it, the following instruments originally filed with the Public Service Commission, State of New York, or heretofore adopted by (Name of Predecessor):
(Here list all schedules, contracts, concurrences, powers of attorney, agreements, or other instruments on file with the Commission which are adopted.)

Date of Issue ________________ Date Effective ________________
(Month, day, year) (Month, day, year)
Issued by______________________
(Name of officer, title, address)

SUBPART 720-6
ESCALATOR CLAUSES
720-6.1 Electric Fuel Adjustment Clauses Generally
720-6.2 Electric Fuel Statements
720-6.3 Proceedings for Review of Electric Fuel Adjustment
   Clause Operations
720-6.4 Correctness and Reasonableness of Fuel Adjustment Charges
720-6.5 Gas Cost Adjustment Clauses
720-6.6 Steam Fuel Adjustment Clauses Generally
720-6.7 Steam Fuel Statements
720-6.8 City and Village Utility Revenue Tax Surcharges

Section 720-6.1 Electric Fuel Adjustment Clauses Generally.
(a) Where provisions are made in electric schedules for automatic
adjustment of rates because of changes in cost of fuel, public utilities
may elect to file statements to their schedules in lieu of amendments.
Such statements shall not be a part of the schedule and will not bear a
leaf designation. Statements to each schedule will be numbered
consecutively.
(b) A copy of the effective statement shall be kept available with
each schedule to which it applies. Statements will follow all leaves
and supplements which are a part of the schedule.
(c) Every statement shall be filed not less than three business days
prior to the date on which it is proposed to be effective.

Section 720-6.2 Electric Fuel Statements.
(a) Where corporations and municipalities elect to file fuel
adjustment statements in accordance with section 720-6.1 of this Part,
the statements must contain:
   (1) identification of the schedules and service classifications to
       which they apply;
   (2) the base cost of fuel (separately, when more than one base is used
       in the schedule);
   (3) the present average cost to the utility;
   (4) the date at which, and the period for which, the average was
determined;
   (5) the amount per unit of consumption affected; and
   (6) the date when the increase or decrease in rates shall become
effective and the period it will remain in effect.
(b) The following definitions apply in connection with this section:
   (1) The term cost of fuel is defined as the cost of fossil, hydro, and
       nuclear fuel used by the company in generation for its customers, plus
       the cost of economy energy purchased for its customers, plus the fuel
       costs of other energy purchased for its customers, estimated if not
       known, plus any necessary adjustment correcting estimated fuel costs of
       purchased energy of previous months, except that fuel costs associated
       with nuclear generating plants whose capital costs have not been
       reflected in the rate base for rate determination purposes may be priced
       at the base cost of fuel. A period of four months shall be allowed for
determining the estimated fuel costs after which the estimate shall be
adjusted to the utility's average fuel cost at the time of purchase.
   (2) The term base cost of fuel is defined as the cost of fuel per unit
       which is established as the basis in computing the fuel surcharge. It
       shall be clearly stated, together with the method of arriving at it, in
       connection with the filing of the fuel surcharge provision.
   (3) The average cost of fuel is defined as the cost of fuel defined in
paragraph (1) of this subdivision divided by the total generated and purchased energy minus the energy sold to other utilities except utilities covered by the fuel cost adjustment clause, minus transmitting and pumping losses associated with energy supplied for pumped storage generating units. The determination of the utility's own fuel cost shall be derived using the averaging method, i.e., the total cost of fuel on hand at the beginning of the month, plus the cost of fuel received during the month divided by the sum of the total quantity of fuel on hand at the beginning of the month and the total amount of fuel received during the month.

(4) The term economy energy is defined as that energy purchased in compliance with the economy energy definition of the New York Power Pool, plus that energy purchased at a total charge equal to or less than the utility's avoided fuel cost.

(5) The term fees is defined as amounts paid to brokers, agents, individuals, or clearinghouses which are directly associated with identifiable gas supply purchases. To be considered a part of the cost of fossil fuel purchases, and includable in the fuel adjustment clause, such fees are subject to the following conditions:

(i) such fees must provide a net reduction in the delivered cost to the utility on an avoided cost basis, i.e., the combination of gas costs, delivery costs and fee payments must be less than the cost of the supply that would have been taken but for this purchase;

(ii) the fee payment may not be to an affiliate of the utility, nor may it be for gas ultimately purchased from an affiliate;

(iii) costs attributable to utility personnel may not be included in such fee payment;

(iv) the fee payment may not cause the price of the subject gas supply to exceed its maximum lawful price pursuant to the Natural Gas Policy Act of 1978;

(v) the fee payment must be related to a specific gas volume and may not be of a general nature, such as an expense for performing a survey or a start-up expense for a broker, agent, individual, or clearinghouse;

(vi) lump sum fees must be recovered over the estimated quantities with which such fees are associated;

(vii) where applicable, the utility must fully detail and justify all such costs in annual gas cost recovery reconciliations and in rate case presentations as part of the review of gas purchasing practices; and

(viii) in conjunction with the first claim for recovery of each fee through the electric adjustment clause, workpapers supporting such filings must clearly set forth the new fee and include a statement that the gas supply was not available to the utility without this payment.


(a) In each proceeding before the Commission concerning an application for a major change (as defined by Public Service Law, Section 66(12)) in the rates, charges or service of any electric public utility, any such public utility proposing to commence or continue the provision of fuel adjustment clauses within its tariff shall offer evidence that:

(1) its fuel costs are subject to fluctuations to the extent that such costs are not susceptible to reasonable estimation in formal rate proceedings; and

(2) its volatile fuel costs constitute a significant proportion of the
cost of service provided by the public utility.

(b) Each electric public utility proposing to continue using a fuel adjustment clause shall offer evidence in each proceeding described in subdivision (a) of this section showing that:
   (1) all information required by section 720-6.2 has been filed in a timely manner; and
   (2) it uses all practicable means to ensure the maximum economies in those operations and purchases that affect fuel costs subject to the clause, to the extent such actions are otherwise consistent with its obligations to provide reliable service. The evidence described in this section shall include the sworn testimony of an employee or officer of the public utility relevant to the proof of compliance with the standards set forth in this section. When an electric public utility proposes to continue using a fuel adjustment clause, fuel statements or other filings required by section 720-6.2 of this Part shall be considered relevant and admitted into evidence. The public utility shall provide a sponsoring witness familiar with the preparation and contents of any such filings made after the last evidentiary hearings held pursuant to this section.

(c) Public evidentiary hearings concerning compliance with the fuel adjustment clause standards set forth in subdivisions (a) and (b) of this section shall be held not less often than every four years, with respect to any electric public utility required to file statements pursuant to section 720-6.2 of this Part. Consideration of such compliance within a rate case, as provided in subdivision (b) of this section, shall be deemed to be an evidentiary hearing for the purpose of this subdivision. In the event that four years elapse from a public evidentiary hearing of the matters set forth in the preceding paragraph, hearings concerning compliance with the standards set forth in subdivisions (a) and (b) of this section shall be convened.

(d) In the event that two years elapse from the date of the last public evidentiary hearings as to the matters set forth in the preceding subdivisions of this section with respect to any electric public utility required to file statements pursuant to section 720-6.2, the staff of the Department of Public Service shall review the compliance of the electric public utility with the standards of subdivisions (a) and (b) of this section and report its findings.

(e) The Commission may hold hearings upon its own motion, or on the motion of any interested person upon good cause shown, as to the compliance of a public utility with the standards set forth in subdivisions (a) and (b) of this section.

720-6.4 Correctness and Reasonableness of Fuel Adjustment Charges.

The Commission may hold hearings upon its own motion, or upon the motion of any interested party upon good cause shown, as to the correctness and reasonableness of any increased rate or charge for fuel costs subject to a fuel adjustment clause. At any hearing so commenced, the burden of proof as to the propriety of any such rate or charge shall be with the utility. In any case in which it is determined that fuel adjustment charges were excessive because of lack of reasonable care or are otherwise unreasonable or incorrect, the Commission may order remedial action, including an adjustment of any previous collection under the fuel adjustment clause.
720-6.5 Gas Cost Adjustment Clauses.
(a) Definitions. The following definitions shall apply in connection with this section:
(1) Gas is natural gas distributed by a public utility to its customers without change or after mixing with other gas, and pipeline quality gas manufactured from liquefied propane.
(2) Base cost of gas is the cost per Ccf, Mcf or therm which is included in stated tariff rates and established as the basis for computing the gas cost adjustment. Upon approval by the commission, the base cost of gas can be eliminated from the base tariff rates.
(3) Fees are amounts paid to brokers, agents, individuals or clearinghouses, which are directly associated with identifiable gas supply purchases. To be included in the average cost of gas computation, such fees are subject to the following conditions:
   (i) such fee must provide a net reduction in the delivered cost to the public utility on an avoided cost basis, i.e., the combination of gas costs, delivery costs and fee payments must be less than the cost of the supply that would have been taken but for said purchase;
   (ii) the payment may not be to an affiliate of the public utility, nor may it be for gas ultimately purchased from an affiliate;
   (iii) no costs attributable to public utility personnel, (e.g., wages or expenses) may be included in such fee payment;
   (iv) the fee payment must be related to a specific gas volume and may not be of a general nature such as an expense for performing a survey or a start-up expense for a broker, agent, individual or clearinghouse;
   (v) lump sum fees must be recovered over the estimated quantities of gas with which such fees are associated;
   (vi) the public utility must fully detail and justify all such costs in annual gas cost recovery reconciliations and in rate case presentations as part of the review of gas purchasing practices; and
   (vii) in conjunction with the first claim for recovery of each fee through a gas cost adjustment, work papers supporting such filings must clearly set forth the new fee and include a statement that the gas supply was not available to the public utility without said payment.
(4) Risk management costs are costs associated with transactions that are intended to reduce price volatility or reduce overall costs to customers. These costs include transaction costs, and gains and losses associated with transactions made in commodities exchanges and with other risk management entities.
(b) Statements. Where provisions are made in gas schedules for automatic adjustment of rates because of changes in the cost of gas, gas corporations or municipalities may elect to file statements to their schedules in lieu of amendments. Such statements shall not be part of the schedule and will not bear a leaf designation. Each statement shall be numbered consecutively. A copy of the effective statement shall be kept available with each schedule to which it applies and may be attached to or bound with the schedule. If bound with the schedule, statements shall follow all leaves and supplements which are part of the schedule. Every such statement shall be filed not less than three days prior to the date on which it is proposed to be effective, except that a new statement may be filed on one day's notice to become effective not more than five days after the effective date of the initial statement if the replacement of cost estimates in the initial statement with actual figures results in a change in the average cost of gas of more than 5
percent. Each statement shall contain:

1. an identification of the schedules and service classifications to which they apply;
2. the date when the increase or decrease in rates shall become effective and the period it will remain in effect;
3. the present average cost to the public utility of gas purchased to serve customers subject to the gas adjustment;
4. the date at which, and the period for which, the average was determined;
5. (i) the base cost of gas (stated separately, when more than one base is used in the schedule);
   (ii) if gas costs are unbilled, the base cost of gas need not be shown;
6. the amount per unit of consumption affected;
7. a summary of refunds or surcharges to be applied to the adjustment; and
8. the net amount per unit of consumption affected;
9. the weather normalization adjustment factor for each billing cycle for the prior month.

(c) Application of charge. The gas adjustment charge shall be applied to bills by prorating the gas adjustments in effect during the period of service based on the number of days each gas adjustment is in effect during each billing period, and calculating the average cost of gas using transporter, storage provider, and supplier rates estimated to be in effect on the effective date of the gas adjustment (pursuant to subdivision (d) (1) (ii) of this section).

(d) Average cost of gas. The average cost of gas shall be computed as follows:

1. by applying the fixed rates and charges of the transporters, storage providers, and suppliers to the billing determinants associated with pipeline capacity, storage capacity, and supplier reservation charges, and dividing by, either the weather normalized quantities of gas taken for delivery to the utility's own sales customers during the 12 calendar months immediately preceding the computation date, or the forecast quantities of gas to be taken for delivery to the utility's own sales customers during the 12 calendar months ending the following August 31. Fixed costs assigned to non-sales customers should be excluded;
2. by applying the variable rates and charges of the transporters, storage providers, and suppliers to the billing determinants associated with transportation, storage, and gas supply, for the forecasted weather normalized quantities of gas to be taken for delivery to the utility's own customers during the month in which the gas adjustment will be in effect;
3. by applying the average unit cost of liquified propane in storage at the date of computation to the quantities of said product used to serve a public utility's own customers during the prior month;
4. by applying the average unit cost of gas in storage at the date of computation to the quantities of gas estimated to be withdrawn from storage for a utility's own customers during the month in which the gas adjustment will be in effect;
5. the total average cost of gas equals the amount computed in paragraphs (1) of this subdivision plus the amounts computed in paragraphs (2) - (4) of this subdivision divided by the forecasted
weather normalized quantities of gas to be taken for delivery to the utility's own customers during the month in which the gas adjustment will be in effect. The total average cost of gas shall be adjusted to reflect credits from released capacity, storage services, and sales and transportation of gas provided to interruptible and off-system customers.

(6) risk management costs may be included in paragraphs (1) - (4) of this subdivision; and

(7) supporting data and workpapers underlying gas cost adjustments and the historical cost of purchased gas, in the format set forth in Appendix 7-H of this section so as to clearly identify sources of gas and related costs as delivered to the utility, shall be filed with the commission and accompany the statement. Supporting documents may be computer generated.

(e) Factor of adjustment. The factor of adjustment shall be determined in a rate proceeding. At the conclusion of each succeeding rate proceeding, a new factor of adjustment will become effective and continue in effect until a new factor is established in the next rate proceeding.

(f) Refunds. Each utility shall file with the commission, and include in its tariff schedule, a plan to flow through to consumers credits received from suppliers due to rate settlements or retroactive rate reductions. Refunds shall include interest, calculated at a rate prescribed by the commission, on the unrefunded balances. Where exceptional circumstances warrant, the utility may petition the commission for waiver of its filed refund plan.

(g) Annual reconciliation. Actual gas cost recoveries shall be reconciled with actual gas expenses each year, and a surcharge or refund to recover gas adjustment under-recoveries or refund gas adjustment over-collections shall be computed as follows:

(1) Taking the cost of gas, adjusted for supplier refunds, and liquefied propane consumed, as recorded on its books during the determination period, adjusting that cost to reflect a level of purchased gas commensurate with actual sales and the fixed factor of adjustment as determined in the preceding rate proceeding, and subtracting therefrom an amount equal to:

(i) the base cost of gas, as defined in subdivision (a) (2) of this section, multiplied by the quantities of gas purchased;

(ii) gas adjustment revenues recorded during the determination period, adjusted to eliminate associated revenue tax recoveries;

(iii) costs recorded during the determination period assignable to gas sold to customers not subject to gas cost adjustments; and

(iv) (a) the previous year's over-collection, including interest, to the extent not refunded; or

(b) adding the previous year's under-collection, including interest, to the extent not recovered.

(2) The amount derived in paragraph (1) of this subdivision shall be divided by the quantities of gas to be sold by the utility to its customers during the surcharge/refund period.

(3) Appropriate adjustment shall be made to eliminate the effect of net credits which have been included in the gas adjustment due to interruptible or other flexibly priced sales.

(4) Surcharge or refund amounts shall bear interest, at a rate prescribed by the commission, on unamortized balances.
(5) The determination period to be used in the computation of the surcharge or refund shall be the 12 months ended August 31st of each year. The computation shall be filed with the commission on or before October 15th, the resulting surcharge or refund shall be effective with the first January billing cycle date.

(6) Interim refunds or surcharges during the 12 month period ended August 31st will be permitted for the purpose of preventing large over-collection or under-collection balances from accruing at August 31st. The methodology used to determine the amount of over-collection or under-collection and the method of refund or surcharge shall be determined by the utility and filed with the commission.

(h) Gas adjustments based on load characteristics. Utilities are permitted to calculate gas adjustments for various service classifications, sub-classes, customer groups, or customers based on load characteristics. Implementation of such gas adjustments must be approved by the commission.

(i) Alternative gas cost pricing. Utilities are permitted to offer customers alternative pricing mechanisms other than those specified above. Risk management costs and other costs associated with alternative pricing mechanisms shall be excluded from the gas adjustment. Implementation of such alternative pricing mechanisms must be approved by the Commission.

**SO DOC 16C-720-6.6**

**NYCRR 720-6.6 Steam Fuel Adjustment Clauses Generally.**

(a) Where provisions are made in steam schedules for automatic adjustment of rates because of changes in cost of fuel, public utilities may elect to file statements to their schedules in lieu of amendments. Such statements shall not be a part of the schedule and shall not bear a leaf designation. Statements to each schedule shall be numbered consecutively, for example: "Statement No. 1 to P.S.C. No. 1", and "Statement No. 2 to P.S.C. No. 1".

(b) A copy of the effective statement shall be kept available with each schedule to which it applies and may be attached to the schedule. Statements shall follow all leaves and supplements which are part of the schedule.

(c) Every such statement shall be filed not less than three days prior to the date on which it is proposed to be effective.

**SO DOC 16C-720-6.7**

**NYCRR 720-6.7 Steam Fuel Statements.**

(a) Where public utilities elect to file fuel statements in accordance with section 720-6.6, such statements must contain:

1. identification of the schedules and service classifications to which they apply;
2. the base cost of fuel (separately, when more than one base is used in the schedule);
3. the present average cost of fuel to the public utility;
4. the point of delivery;
5. the date at which and the period for which the average was determined;
6. the amount per unit of consumption affected; and
7. the date when the increase or decrease in rates shall become effective and the period during which it will remain in effect.

(b) The following definitions apply in connection with this section:
1. The term cost of fuel is defined as the price, including all
transportation charges to the point at which the public utility accepts delivery. Where more than one type of fuel is used, the cost of fuel shall be determined by converting all fuels to a common standard.

(2) The term base cost of fuel is defined as the cost of fuel per unit which is established as the basis in computing the fuel surcharge. It shall be clearly stated, together with the method of arriving at it, in connection with the filing of the fuel surcharge provision.

(3) The term average cost of fuel is defined as the total cost of fuel on hand at the beginning of the period, plus the cost of fuel received during the period, divided by the sum of the total quantity of fuel on hand at the beginning of the period and the total amount of fuel received during the period.

720-6.8 City and Village Utility Revenue Tax Surcharges.

(a) Where provisions are made in schedules for automatic adjustment of public utility revenue tax surcharges in response to an enactment whereby a city or village levies a new tax on public utility gross revenues, repeals such a tax, or changes the rate of such a tax, public utilities subject to the tax may elect to file statements relative to their schedules in lieu of amendments. Such statements shall not be a part of the schedule and shall not bear a leaf designation. Statements to each schedule shall be numbered consecutively.

(b) A copy of the effective statement shall be kept available with each schedule to which it applies. Statements shall follow all leaves and supplements that are a part of the schedule.

(c) Every such statement shall be filed not less than 15 business days before the date on which it is proposed to be effective, and no sooner than the date of the tax enactment to which the statement responds; shall become effective no sooner than the date when the tax enactment is filed with the Secretary of State; shall be applicable to bills subject to the tax enactment that are rendered on or after the effective date of the statement; and shall be canceled not more than five business days after the tax enactment either ceases to be effective or is modified so as to reduce the tax rate.

720-7 Powers of Attorney and Concurrences

(a) A telephone corporation may authorize another telephone corporation to file its toll schedules and revisions thereto, or concurrences by power of attorney filed with the Commission set forth in Section 720-7.3. The original copy shall be filed with the Commission and the duplicate furnished to the telephone corporation to which power of attorney is given. Such authority may not contain authority to delegate to another the power thereby conferred.

(b) Powers of attorney shall be consecutively numbered.
(c) A telephone corporation granting authority to another telephone corporation to publish and file certain of its rates, charges, rules, or regulations shall not, in its own publications, publish rates, charges, rules, or regulations that conflict with or duplicate those which are published by such authorized other telephone corporation.

(d) Authority granted under this section may be revoked upon 60 days' notice to the Commission and to the telephone corporation to which power of attorney is given, as prescribed by Section 720-7.4.

720-7.2 Concurrences.

(a) A concurrence may be given by a telephone corporation to embrace joint schedules issued by another telephone corporation to which the concurring corporation is a party. The original copy of the concurrence, as set forth in 720-7.5, shall be filed with the Commission and a duplicate furnished to the corporation to which concurrence is given. Concurrences shall be filed immediately by the issuing corporation.

(b) Concurrences shall be consecutively numbered by the corporation issuing the concurrence.

(c) Where a concurrence confers authority to name rates of the telephone corporation giving concurrence, schedules shall be issued by the telephone corporation to which concurrence is given under its own PSC numbers, and the telephone corporation giving such concurrence shall be shown as a participating corporation. The filing of such schedules will constitute filing for all lawfully concurring telephone corporations, and they may be used by concurring telephone corporations for public inspection as required by Section 720-1.3. The telephone corporation to which concurrence is given may apply for permission to make a joint schedule effective on short notice as provided in Section 720-2.4. The application shall be made on the prescribed form and must include a statement that it is made on behalf of all parties to the schedule and that the formal concurrence is on file with the Commission.

(d) A concurrence may be revoked by filing notice of such revocation, as set forth in Section 720-7.4, with the Commission and serving same upon the telephone corporation to which such concurrence was given. This notice must specify the date upon which revocation is to be made effective and must give not less than 60 days' notice to the Commission and to the telephone corporation to which concurrence was given. Corresponding correction of schedules shall be made by amending or reissuing such schedules on not less than 30 days' notice to be effective upon the effective date of the revocation.

(e) A concurrence does not confer authority to cancel schedules of concurring corporations. Schedules issued under concurrences shall not bear notation of cancellation of schedules of concurring telephone corporations. Such cancellations must be made by the telephone corporation which issued the schedule that is to be cancelled.

720-7.3 Appendix: Form for Power of Attorney.

POWER OF ATTORNEY

Tp. 1 No.________________
Cancels Tp. 1 No.________________

(Name of Corporation)
(Date)

Know all by these presents:
that the (name of public utility) has made, constituted, and appointed
and by these presents does make, constitute, and appoint (name of public
utility) its true and lawful attorney and agent for the said public
utility, and in its name, place and stead to file (or to give and
receive concurrences in) schedules and supplements thereto, as required
of public utilities by Public Service Law and by regulations established
by the Public Service Commission, State of New York, thereunder, for the
period of time, the service, and the territory now herein named:

________________________________________________________________________
________________________________________________________________________
and the said (name of public utility) does hereby give and grant unto
its said attorney and agent full power and authority to do and perform
all and every act and thing above specified as fully to all intents and
purposes hereby ratifying and confirming all that its said agent and
attorney may lawfully do by virtue hereof and assuming full
responsibility for the acts and neglects of its said attorney and agent
hereunder.

In witness whereof the said public utility has caused these presents to
be signed in its name by its __________________________
(title of officer or owner), and to be duly verified or attested under
its corporate seal by its secretary, at __________________________,
in the State of __________________________ in __________________.

_____________________
(Name of Corporation)

By __________________
(Signature of Officer)

_____________________
(Title of Officer)

Attest: ___________________, Secretary.

(If a corporation)

Duplicate mailed ____________ to ____________ at ____________
(Date)

SO DOC 16C-720-7.4
NYCRR
720-7.4 Appendix: Form for Revocation of Power of Attorney or
Concurrence.

REVOCATION NOTICE

(Name of Corporation)

_____________________
(Date)

Effective ____________ (Power of Attorney)
(Concurrence) Tp. ____________ No. ____________ issued by (name of public
utility) in favor of (here show name of public utility in whose favor
issued) is hereby cancelled and revoked.

(Name of Corporation)

By __________________
(Signature of Officer)

_____________________
(Title of Officer)

(If a corporation)

Attest: ___________________, Secretary.

(Corporate Seal)
Duplicate mailed __________________ to ______ at ____________

(Date)

.SO DOC 16C-720-7.5

720-7.5 Appendix: Form for Concurrence.

Tp. 2 No.________________

Cancels Tp. 2 No.__________________

___________________________________

(Name of Public Utility)

Public Service Commission                   (Date)______________________

3 Empire State Plaza
Albany, New York 12223-1350

This is to certify that the (name of telephone corporation){1} assents
to and concurs in the publication and filing of (rate schedule described
below){2} (any joint schedule) and revisions thereto which the (name of
telephone corporation) may make and file, in which it is shown as a
participating corporation, and hereby makes itself a party thereto and
bound thereby insofar as such schedule contains joint rates, charges,
rules, or regulations applying to communication by telephone (in any way
involving use of its toll lines){3}, until this authority is revoked by
formal and official notice of revocation filed with the Public Service
Commission, State of New York, and with the telephone corporation to
which this concurrence is given.

Title and No.: _____________________

Date of Issue: ________________________

Date Effective: ________________________

(Name of Corporation)

By _____________________

(Signature of Officer)

____________________

>Title of Officer)

[1] If concurrence is given by one telephone corporation for itself,
and also under power of attorney for other telephone corporations,
it will be necessary to specify the names of all corporations for
which concurrence is given.

[2] Strike out phrase not applicable.

[3] If the telephone corporation issuing concurrence does not desire to
give such broad authority as "in any way involving the use of its
toll lines", the concurrence may be modified to confer exactly the
authority to be granted.

.SO DOC 16C-SP720-8

SUBPART 720-8

NEWSPAPER PUBLICATION

Sec.
720-8.1 Newspaper Publication

.SO DOC 16C-720-8.1

Section 720-8.1 Newspaper Publication.

(a) Whenever a change is proposed to any schedule, excluding Addenda
and Statements, filed with the Commission, a notice to the public of
such proposed change shall be published once in each week for four
successive weeks in a newspaper having general circulation in each
county containing territory affected by the proposed change. This
notice shall plainly state the changes proposed to be made in the
schedule then in force and the time when the change will go into effect.
Such publication must be made in a form and manner designed to be seen and understood by the customers affected by the proposed change. It is not required that such publication be made in the legal notice column of such newspapers nor that the complete text of the proposed revisions be shown.

Publication must be completed prior to the effective date of the proposed revisions unless the Commission shall otherwise order. The public utility shall file with the Commission, not more than 15 days after the effective date of the change, proof that such publication has been made.

A request that publication be waived is not required to be in any prescribed form, but it must clearly demonstrate the merit of the request.

Sec. 720-9.1 Bill Inserts

(a) Each public utility, other than a waterworks corporation, billing other than by postcard and serving more than 25,000 customers, shall furnish to its customers a narrative description of the essential elements affecting them of each proposed major rate change, by bill inserts to be included with the next utility bills mailed commencing not later than seven days after the rates are filed.

(b) The narrative description shall include the following:

The Commission may approve, modify or reject any or all of the proposed tariff changes. Among other things, the Commission's determination may require revisions of the proposed amount of the increases applicable to particular classifications of service, or changes in rates applicable to those classifications for which no increase is proposed by the company.

(c) Applications for waiver of the requirements for such mailing may be granted upon a sufficient showing.

Sec. 730.1 Filing of reports

(a) Every gas or electric corporation having equipment containing 500 parts per million (ppm) or greater of polychlorinated biphenyls (PCBs),
including but not limited to capacitors and transformers, shall file, in accordance with the requirements of § 3.5 of this Title, a PCB inventory report to the Commission semiannually.

(b) The inventory reports shall be filed on September 1st each year, for the reporting period January 1st through June 30th preceding, and on March 1 each year, for the period July 1st through December 31st preceding.

(c) Each gas corporation, as set forth herein, shall file with the Secretary, in accordance with the requirements of § 3.5 of this Title, a report of each discovery in the gas distribution system of materials containing PCBs in concentrations of 50 ppm or greater, such as materials collected at custody transfer points, and the PCB concentrations found in such materials. The report shall be submitted annually by February 1st of the year following the calendar year for which the report is rendered.

(d) The inventory reports referred to in subdivision (a) of this section shall include two parts: one covering PCB equipment in service as of the last day of the reporting period and one covering PCB equipment retired, stored, processed, or shipped during the reporting period.

(e) Each gas or electric corporation filing the inventory reports referred to in subdivision (a) of this section shall also submit to the chief executive of each county and city located in its service territory a report containing the information presented for equipment and PCBs located in or transported through the county or city receiving the report.

(f) The following provisions apply in connection with the inventory reports:

1. The term equipment means devices such as transformers, capacitors, compressors, or other equipment designed to contain oil or other fluids necessary for their operation. The term does not include items on the gas distribution system that were not designed to contain oil necessary for operation such as drips, valves, or pipelines.

2. Materials means liquids, particulate matter, rags or other items containing PCBs.

3. Political jurisdiction may be reported by any of the following: town, village, city, each borough of New York City, or tax district. If the report is by tax district, it shall be made clear which political jurisdiction or jurisdictions comprise each tax district.

4. The location of PCB equipment in service may be reported by any of the following: street address, building name, line and pole number, line and vault number, pole number with street and cross-street, vault number with street and cross-street or, for gas utility equipment, by pipeline mile post, engineering station, or geographic feature. If the location is reported by pole and line number or vault number, additional information shall be available to indicate the exact location of the line or equipment. For substations and power plants, additional information shall be available to indicate the location of the equipment within each substation or power plant. The location of storage and processing facilities shall be reported by postal address and shall include, as a minimum, the political jurisdiction in which the facility is located.

5. Size shall be expressed as volume of PCB fluid, and the PCB concentration (ppm) shall be reported. The fluid, if a dielectric,
(6) Service date may be reported by any of the following: date of purchase, date of first installation, date of last installation, date of capitalization, or date of manufacture. Date of manufacture may be reported by serial number if a key is provided which cross-references serial number to date of manufacture. For capacitors, the reported service date may be the service date for the oldest capacitor in a bank or the date that the bank was first installed. For transformers located in substations, the reported service date may be the service date for the oldest transformer installed at each substation. Each inventory report shall specify whether the reported service date is the purchase date, date of capitalization, or date of manufacture.

(7) Quantity means the number of individual units. Capacitors may be reported by bank if the number of units per bank is stated.

(8) The term in-service applies to equipment used electrically under loaded conditions, and to other equipment, such as gas compressors, on gas distribution systems. In-service equipment may also be identified as equipment recorded in the Electric Plant In Service or Gas Plant In Service accounts.

(9) The last in-service location is the last location at which the PCB equipment was in service, or the location (i.e., service center or treatment storage and disposal facility) at which the electrical equipment or material was first determined to contain 500 ppm or greater of PCBs.

(10) The retirement date reported shall be either the date on which the equipment is no longer in service or the date on which the equipment was removed from the Electric Plant In Service or Gas Plant In Service accounts.

(11) The New York State portion of the shipping route shall be described for all shipments of PCBs between storage and processing facilities and for all shipments out of State. The route description shall identify the highways used and shall identify all cities and counties traversed by the route. Shipping routes within New York City shall identify the borough or boroughs traversed.

730.2 Content of reports.

(a) The in-service PCB equipment inventory reports and the retired PCB equipment inventory reports shall include all capacitors, transformers, gas compressors, and other equipment or material containing 500 ppm or greater of PCBs. The report shall not include equipment designed to use the PCB-free mineral oil dielectric fluids unless the unit has been serviced with fluid containing 550 ppm or greater of PCBs, or there is any other reason to believe that the unit contains, or was ever mixed with fluid with a concentration level of 500 ppm or greater, or unless testing has specifically shown otherwise.

(b) The inventory reports shall be organized alphabetically by county for those counties in which the PCB equipment is in service or was last in service.

(c) For each county, the reports shall be organized by political jurisdiction. The information for each political jurisdiction shall be divided into sections, one section each for transformers, capacitors, gas compressors and other equipment as applicable. Each section shall then be organized into overhead, underground, substation, power plant and compressor station categories.
(d) In the in-service equipment inventory, the equipment in each
category shall be organized and identified by location. At each
location, the size, quantity, and service date shall be reported.
(e) A separate summary sheet of in-service equipment shall indicate by
section, one section each for transformers, capacitors, gas compressors,
and other equipment, the total number of PCB items and the total amount
of PCBs in each county and political jurisdiction. In addition,
company-wide grand totals shall be provided for PCB transformers, PCB
capacitors, and other PCB equipment.
(f) In the retired PCB equipment inventory, the material in each
category shall be organized and identified by the last in-service
location. The following information shall be provided, if applicable,
for each item: the size, the quantity, the retirement date, the location
of facilities at which the equipment was stored or processed, the date
of shipment of PCBs and PCB equipment within or out of New York State, a
description of the New York State portion of the shipping route, and a
statement of the ultimate destination for out-of-state shipments. The
storage/processing facilities and the shipping dates or routes need not
be reported for activities that took place prior to the date the
equipment was determined to contain 500 ppm or greater of PCBs.
(g) In the reporting of discoveries by gas corporations of materials
with PCB concentrations of 50 ppm or more found at custody points or
gate stations, reporting forms supplied by the Gas Unit shall be used to
provide information on: company name and reporting dates, location and
type of collection point, approximate date of delivery, date of removal,
volume of material removed, PCB concentration (ppm), source of PCB
material (supplier if single source can be identified), and method of
removal. The reports shall be signed by a responsible company official.

PART 731
QUARTERLY REPORTS
(Statutory authority: Public Service Law, ð 66(10))

Sec.
731.1 Quarterly report required
731.2 Filing
731.3 Form

Section 731.1 Quarterly report required.
Every electric and/or gas corporation in Classes A and B shall file
with the Commission a quarterly report for the quarter ended March, June
and September.

Section 731.2 Filing.
Every electric and gas corporation shall file one copy, and such
additional copies as shall be requested, of the quarterly report,
prepared for the first three quarters of the year, not later than 45
days after the end of the three-month period covered thereby.

Section 731.3 Form.
Form 106 is hereby prescribed for the use of electric corporations and
gas corporations in Classes A and B in making their quarterly reports
for the quarter.
Sec.
732.1 Annual report required
732.2 Period covered
732.3 Filing additional reports
732.4 Filing Dates
732.5 Appendix: Prescribed forms

Section 732.1 Annual report required.

Except as provided in this section, every electric, gas, steam and every waterworks corporation and every municipality subject to the Commission's jurisdiction, is hereby directed and required to file annually with this commission, at the time and for the period hereinafter provided, an annual report on the form hereinafter prescribed.

Section 732.2 Period covered.

Every public utility shall file its annual report on the basis of the calendar year, and every municipality operating a electric, gas or steam system on the basis of its fiscal year.

Section 732.3 Filing additional reports.

(a) A report shall be filed, in accordance with the requirements of § 3.5 of this Title, by every electric, gas, steam and waterworks corporation in Classes A and B.

(b) A report shall be filed, in accordance with the requirements of § 3.5 of this Title, by each municipality operating an electric, gas or steam system and by every electric, gas or waterworks corporation in Classes C and D.

Section 732.4 Filing dates.

(a) Every combination electric and gas corporation and steam corporation shall file an annual report no later than April 30, covering the preceding calendar year.

(b) Every gas only and waterworks corporation shall file an annual report no later than March 31 covering the preceding calendar year.

(c) Every municipality operating an electric, gas, or steam system shall file an annual report 3 months after the last day of the fiscal year.

Section 732.5 Appendix: Prescribed forms.

The following forms are hereby prescribed for the use of the several classes and groups of utilities and municipalities, and copies of such forms will be furnished or made available to each utility and municipality.

LIST OF FORMS--ANNUAL REPORTS

ELECTRIC AND/OR GAS CORPORATIONS:
Classes A and B Electric, Gas or Combination Form 182
Classes C and D Electric, Gas or Combination Form 182 A
Companies with average annual operating revenues Form 190
of $15,000 or less in either department
Lessor Electric and Gas Companies Form 190
(Modified)
Inchoate and Dormant Electric and Gas Companies Form 240
Incidental Electric or Gas Business Form 251
STEAM CORPORATIONS:
All Steam Companies Form 241
Incidental Steam Business Form 251 A
WATERWORKS CORPORATIONS:
Classes A and B Form 347
Classes C and D Form 347 CD
Companies with average annual operating revenues less than $100,000 Form 347 E
Incidental Waterworks Business Form 251 A
MUNICIPALITIES:
Electric Form 195
Electric and Gas Form 195 (Modified)
Gas Abbreviated Form E
Steam Form 241

PART 733
PRESERVATION OF RECORDS
(Statutory authority: Public Service Law, ñ 66(4), 80(3), 89-c(3))
Sec.
733.1 Scope of this Part
733.2 Designation of supervisory official
733.3 Protection and storage of records
733.4 Definition of record media
733.5 Record Series/Media Certification
733.6 Change of media for existing records
733.7 Media
733.8 Destruction of records
733.9 Premature destruction or loss of records
733.10 Schedule of records and periods of retention
733.11 Retention periods designated "destroy at option"
733.12 Records of services performed by associated companies
733.13 Index of records
733.14 Notes to schedule of records and periods of retention
733.15 Appendix: Schedule of records and periods of retention table

Section 733.1 Scope of this Part.
(a) The regulations in this Part apply to all books of account and other records prepared by or on behalf of every electric, gas, steam and waterworks corporation and municipal electric, gas and steam utility (hereafter, in this part is referred to as a public utility or municipality). See item 64 of the schedule of records and periods of retention for those records that come into the possession of the public utility or municipality in connection with the acquisition of property, such as purchase, consolidation, merger, etc.
(b) The regulations in this Part shall not be construed as excusing compliance with any other lawful requirement for the preservation of records for periods longer than those prescribed herein.
(c) Unless otherwise specified in the schedule of records and periods of retention, duplicate copies of records may be destroyed at any time; provided, however, that such duplicate copies contain no significant
information not shown on the originals.

(d) Records other than those listed in the schedule of records and periods of retention may be destroyed at the option of the public utility or municipality; provided, however, that records which are used in lieu of those listed shall be preserved for the periods prescribed for the records used for substantially similar purposes. And, provided further, that retention of records pertaining to added services, functions, plant, etc., the establishment of which cannot be presently foreseen, shall conform to the principles embodied herein.

(e) Notwithstanding the provisions of the schedule of records and periods of retention, the commission may, upon the request of the company, authorize a shorter period of retention for any record listed therein upon a showing by the company that preservation of such record for a longer period is not necessary or appropriate in the public interest or for the protection of investors or consumers.

SO DOC 16C-733.2 NYCRR
733.2 Designation of supervisory official.
Each public utility or municipality subject to the regulations in this Part shall designate one or more persons with official responsibility to supervise the program for preservation and the authorized destruction of its records.

SO DOC 16C-733.3 NYCRR
733.3 Protection and storage of records.
Each public utility or municipality shall provide reasonable protection for records subject to the regulations in this Part from damage by fires, floods and other hazards and, in the selection of storage spaces, safeguard the records from unnecessary exposure to deterioration from excessive humidity, dryness, or lack of proper ventilation.

SO DOC 16C-733.4 NYCRR
733.4 Definition of record media.
(a) For the purpose of this Part, the data constituting the records listed in the schedule of records and periods of retention may be retained in any generally accepted electronic or photographic storage medium, provided the medium selected has a standard life expectancy greater than or equal to the specified retention period. Storage media can include, but are not limited to: paper, microfilm, magnetic disk, magnetic tape, optical disk, CD-ROM, DVD, etc. It is the responsibility of the public utility to ensure that the storage medium is consistent with the prescribed retention period and all conditions for proper storage are met to insure the protection and retrievability of the data/information in the chosen format. However, records supporting plant cost shall be retained in their original form unless microfilmed (See section 733.10 of this Part for periods of retention). Media regeneration to achieve the full length of period retention will be allowed at the discretion of the utility, provided the utility follows appropriate sections in these regulations.

(b) If the storage medium of the record retained is other than a readable paper copy, then reader and/or printer equipment and related printout programs, if required, shall be provided by the utility for data reference.

(c) A storage medium may be changed on the judgement of the utility, if subsequent conditions such as improved media life expectancy and the remaining retention period permits a change in the media forms, the
public utility or municipality may convert to another medium, provided the certification processes described in section 733.5 below are observed and data referencing capability is maintained.

733.5 Record Series/Media Certification.

(a) As the initial recording media:

(1) Each microform record series shall contain, at the beginning, a microform introduction stating the title of the record series, the date prepared, the name of the individual responsible for validating the data contained therein. Each microform record series shall be closed with a clear and standard microform notation indicating the completion of the series and the date.

(2) If after validation, supplemental data and corrections (i.e., resulting from computer programming) are required, said microform may be produced separately or as a part of the series rerun, but shall be affixed to the original microform certificate as described in the immediately preceding paragraph.

(3) For other storage media, record series shall include, as a basic part of the program, at the beginning of that series an introduction stating the record series title, date prepared, the name of the individual responsible for validating the data contained therein and an index where appropriate. Each record series shall be closed with a clear and standard notation indicating the completion of that series and the date.

(b) Conversion from other media:

(1) Each record series shall include, as an integral part, a certificate(s) stating that the records are direct or facsimile reproductions of the original records and that they have been made in accordance with prescribed instructions. Such certificate(s) shall be executed by a person(s) having personal knowledge of the facts covered thereby.

(2) Each record series shall commence and end with a statement as to the nature and arrangement of the records reproduced, and the date. Rolls of film shall not be cut. Supplemental or retaken records, whether of misplaced or omitted documents or of portions of records found to be defective, shall be attached to the beginning of the record series and in such an event, the aforementioned certificate shall cover the supplemental or retaken records and shall state the reasons for the subsequent action.

(3) If, in accordance with the provisions of section 733.6 of this Part, the public utility or municipality elects to convert records to a different medium, the same certification provision specified in section 733.5 (a) (3) of this part must be provided in the conversion program.

733.6 Change of media for existing records.

Those records prepared and maintained under previous regulations in a paper medium, and whose remaining retention period falls within the life expectancy range of any of the media detailed in section 733.4, may be converted to that medium at the public utility or municipality's option, provided the applicable certification processes described in section 733.5 of this part are observed and an audit referencing capability is maintained.

733.7 Media.
(a) All records created or maintained in a medium and a format other than readable entries on paper shall:

(1) be prepared, arranged, classified, identified and indexed so as to permit the subsequent location, examination and reproduction of the record to a readable medium;

(2) be stored in such a manner as to provide reasonable protection from hazards such as fire, flood, theft, etc. and maintained in a controlled environment;

(3) be regenerated, including proper certification, when damaged.

(b) The company shall be prepared to furnish, at its own expense, standard facilities for reading media and shall additionally provide, if the commission so directs, copies of the record in a readable form.

733.8 Destruction of records.
The destruction of the records permitted to be destroyed under the provisions of this Part may be performed in any manner elected by the public utility or municipality concerned. Precautions should be taken, however, to macerate or otherwise destroy the legibility of records, the content of which is forbidden by law to be divulged to unauthorized persons.

733.9 Premature destruction or loss of records.
When any records are destroyed before the expiration of the prescribed period of retention or are lost, a certified statement listing, as far as may be determined, the records destroyed or lost and describing the circumstances of accidental or other premature destruction or loss shall be filed with the commission within 90 days from the date of discovery of such destruction or loss.

733.10 Schedule of records and periods of retention.
The table contained in Section 733.15 shows the period of time designated records shall be preserved; however, records related to plant shall be retained a minimum of 25 years unless, accounting adjustments resulting from reclassification and original cost studies have been approved by the commission and approved continuing plant inventory records are maintained.

733.11 Retention periods designated "destroy at option".
Use of the retention period, "destroy at option," in the regulations in this Part constitutes authorization for such destruction under the conditions specified for the particular types of records, only if such optional destruction is appropriate in view of the limited managerial interest in such records and if such optional destruction is not in conflict with other legal retention requirements or the usefulness of such records in satisfying pending regulatory actions or directives.

733.12 Records of services performed by associated companies. Each public utility or municipality to which the regulations in this Part apply shall assure the availability of records of services performed by associated companies for the periods indicated in this Part, as are necessary, to support the cost of services rendered to it by an associated company.

733.13 Index of records.
At each office of the public utility or municipality where records are kept or stored, such records as are required by this part to be preserved shall be so arranged, filed and currently indexed that they may be readily identified and made available to representatives of the commission.

733.14 Notes to schedule of records and periods of retention.

(a) For the purposes of this Part, a stockholder's account may be treated as a closed account at the time that such stockholder ceases to be a holder of record of the particular class and series of stock of the company and the six-year retention period prescribed herein shall run from that date. If such person subsequently acquires shares of capital stock of the company and thus again becomes a stockholder of the company, the record of such acquisition shall be treated as a new stockholder account.

(b) The terms bonds and debentures, as used in Section 733.15 of the Part, shall include all debt securities such as bonds, debentures or notes other than debt securities which evidence temporary borrowings and which are expected to be repaid out of the proceeds of the sale of longer term securities. Typical of such temporary debt securities, would be notes issued to banks evidencing temporary working capital and construction loans and gas storage loans.

(c) Cancelled bonds and debentures and paid interest coupons pertaining thereto may be destroyed, provided that a certificate of destruction giving full description reference to the documents destroyed shall be made by the person or persons authorized to perform such destruction and shall be retained by the company for the period herein prescribed. The certificate of destruction evidencing the destruction of paid interest coupons pertaining to bonds and debentures need not contain a listing of the bond or debenture serial numbers pertaining to such paid interest coupons. When documents represent debt secured by mortgage, the certificate of destruction shall also be authorized by a representative of the trustee(s) acting in conjunction with the person or persons destroying the documents or shall have the trustee(s) acceptance thereon. The certificate of destruction above described may be destroyed six years after the payment and discharge of the bonds or debentures or interest coupons described in such certificate.

(d) If more than one retention period prescribed in section 733.15 of this Part applies to a given record, the public utility or municipality need retain only one copy of such document in its files, provided appropriate cross-references are established.

(e) Life or mortality study data for depreciation purposes should be attained as a permanent record.

733.15 Appendix Schedule of records and periods of retention table.

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<td>Capital stock records:</td>
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<tr>
<td></td>
<td>(a) Capital stock ledgers or other records showing the same information</td>
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<td>(b) Capital stock subscription accounts, warrants, requests for allotments and other essential papers related thereto</td>
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<tr>
<td></td>
<td>(d) Stock transfer registers or sheets or similar records</td>
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<td></td>
<td>(e) Papers pertaining to or supporting transfers of</td>
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CORPORATE AND GENERAL

1. Capital stock records:
(a) Capital stock ledgers or other records showing the same information 6 years after the stockholders' account is closed. See § 733.14.
(b) Capital stock subscription accounts, warrants, requests for allotments and other essential papers related thereto 2 years after settlement.
(c) Stubs or similar records of capital stock certificate issuance where not used as capital stock ledger record 6 years after cancellation of certificate. If this record serves the purpose of a capital stock ledger, Item 1(a) is applicable.
(d) Stock transfer registers or sheets or similar records 6 years after last entry on page or sheet of record.
capital stock:
(1) Papers that are recorded officially in a court or in the office of some other public recording authority; and other papers presented by any bank or trust company requesting transfers in its capacity as a fiduciary and miscellaneous papers

(f) Canceled capital stock certificates where not used as capital stock ledger records
6 years after cancellation of certificate.
If this record serves the purpose of a capital stock ledger, Item 1(a) is applicable.

(g) Change of address notices of stockholders
Destroy at option after changers are recorded. 6 years after expiration of bonds

(h) Bonds of indemnity and affidavits covering issuances of stock certificates to replace lost certificates

(i) Letters, notices, reports, statements and other communications distributed to all stockholders of a particular class:
(1) Formal communications addressed to all stockholders of a particular class, including annual reports to stockholders, notices of annual and special meetings of stockholders, and other notices, reports, letters or statements relating to corporate or stockholder actions
6 years after the date thereof.

(2) Interim reports of operations, speeches of corporate officers, notices of change of corporate address or telephone numbers, etc.

(j) Dividend registers, lists or similar records
6 years.

(k) Paid dividend checks
Ditto.

(l) Third party dividend orders
6 years after recision order.

2. Proxies and voting lists:
(a) Proxies of holders of voting securities
3 years.

(b) Lists of holders of voting securities represented at meetings
1 year.

3. Reports to stockholders:
(a) Annual reports or statements to stockholders
Life of corporation.

(b) Written acknowledgments of receipts
Destroy at option.
of reports to stockholders and written requests for copies of such reports.

   (a) Registered bond and debenture ledgers 3 years after redemption.
   (b) Bond and debenture subscription accounts, warrants, subscription notices, requests for allotment and essential papers related thereto 3 years after settlement.
   (c) Stubs or similar records of bond and debenture certificates issued 3 years after redemption.
   (d) Papers pertaining to or supporting transfers of registered bonds and debentures:
      (1) Papers that are recorded officially in a court or in the office of some other public recording authority; and other papers presented by any bank or trust company requesting transfers in its capacity as a fiduciary, plus other miscellaneous papers Destroy at option or return to holders of the bonds or debentures.
   (e) Records of bond and debenture interest coupons paid and unpaid Destroy at option. See § 733.14.
   (f) Canceled bonds and debentures and paid interest coupons pertaining thereto Ditto. See § 733.14.
   (g) Trust indentures, loan agreements or other contracts or agreements securing debt securities issued. (If such papers or documents are included among the records covered by Item 5 of the Regulation, this instruction will not apply.) 6 years after redemption.
   (h) Copies of reports, statements, letters or memoranda filed with Trustee(s) pursuant to provisions of trust indenture or other security instrument or agreement securing debt securities issued 6 years after redemption. (Destroy at option provided that the Trustee(s) under such indenture or security instrument is a National Bank, a member of the Federal Reserve System or a subsidiary of any such National Bank or Federal Reserve System member bank; and provided further that the Trustee(s) has certified to the company that copies of all such documents will be available in the offices of the Trustee(s) for in-
(i) Paid or canceled debt securities evidencing temporary borrowings
3 years after payment or cancellation, provided other records of issuance and payment or cancellation are maintained.

(j) Paid interest checks
6 years.

5. Filings with and authorization by regulatory agencies:
(a) Authorizations from regulatory bodies for issuance of securities:
(1) Copies of applications to regulatory bodies for authority to issue stocks, bonds, and other securities, including copies of exhibits in support of such applications
25 years or until all securities covered are retired, whichever is shorter. See 8733.14.
(2) Official copies of opinions and orders of regulatory bodies granting authority to issue securities
Until securities covered are retired.
(3) Reports filed with regulatory bodies in compliance with authorizations to issue securities.
(Reports of sales of securities, application of proceeds, etc.)
File copies of such reports and supporting papers
Until securities covered are retired.

(b) Copies of registration statements and other data filed with the Securities Exchange Commission:
(1) In connection with offerings of securities for sale to the public or the listing of securities on exchanges, including supporting papers
25 years or until all securities covered are retired, whichever is shorter. See 8733.14.
(2) Copies of periodic reports and supporting papers filed in compliance with either the Securities Act of 1933 or the Securities Exchange Act of 1934
25 years.

6. Organizational documents:
(a) Minute books of stockholders', directors', and directors' committee meetings, and of Board of Light Life of corporation.
(Permanently for municipalities.)
Commissioners or other municipal governing body

(b) Titles, franchises, and licenses: 6 years after property is disposed of unless surrendered to transferee.
   (1) Deeds and other title papers (including abstracts of title and supporting data)
   (2) Corporate charters or certificates of incorporation
   (3) Franchises and certificates authorizing operations as a public utility
   (4) Licenses (including amendments thereof) granted by Federal or State authorities for construction and operation of utility plant
   (5) Copies of formal orders of regulatory commissions served upon the utility
   (6) Records of action by voters as to establishing a municipality utility or extensions thereto

(c) Permits:
   (1) Permits and granted applications for the use of facilities of others
   (2) Copies of permits and applications granted others for the use of the utility's facilities
   (3) Applications for the use of facilities not granted and copies of such applications
   (4) Permits of a temporary nature for municipalities or others to perform specific work, such as permits to open streets
   (5) Permits of a temporary nature for Life of corporation.

(d) Organization diagrams and charts Destroy at option.

7. Contracts and agreements (except contracts provided for elsewhere):
   (a) Service contracts, such as for management, accounting and financial services
   (b) Contracts with other utilities for the purchase, sale or interchange of product
   (c) Leases pertaining to rentals of property to or from others
   (d) Contracts and agreements with individual employees, labor unions, company unions, and other employee organizations relative to wage rates, hours and similar matters

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   (c) Leases pertaining to rentals of property to or from others
   (d) Contracts and agreements with individual employees, labor unions, company unions, and other employee organizations relative to wage rates, hours and similar matters
(e) Contracts, agreements, and/or other essential records necessary to the carrying out of the functions of an employee's stock purchase or other type of employee's saving plan

(f) Contracts or agreements for the acquisition or disposal of investments
(Excluding temporary cash investments)

(g) Memoranda essential to clarifying or explaining provisions of contracts listed above

(h) Card or book records or contracts, leases, and agreements made showing dates of expiration and of renewals, memoranda of receipts and payments under such contracts, etc.

8. Accountants' and auditors' reports:
   (a) Reports of examinations and audits by accountants and auditors not in the regular employ of the utility (Such as reports of public accounting firms and regulatory commission accountants)
   7 years after date of report or Commission audit, whichever comes last.

   (b) Internal audit reports and work papers
   Ditto.

9. Automatic data processing records (Retain original source data used as input for data processing and data processing report printouts for the applicable periods prescribed elsewhere in the schedule.):
   (a) Punched cards, tapes or similar media used as intermediate records or steps in data processing for assembling data to be posted to the records of the company or used in a report or study
   Destroy at option.

   (b) Program documentation and revisions thereto
   Retain for periods prescribed for related output data. Statements and illustrations as to the scope of operations should be sufficiently detailed to indicate (a) the application being performed, (b) the procedures employed in each application (which, for example, might be supported by flow charts, block diagrams or other descriptions of operating procedures), and (c) the controls used to insure accurate and reliable
processing. Major program changes, together with their effective dates, should be noted in order to preserve an accurate chronological record.

GENERAL ACCOUNTING RECORDS

10. General and subsidiary ledgers:
   (a) (1) General ledgers 50 years.
       (2) Ledgers subsidiary or auxiliary to general ledgers except ledgers provided for elsewhere
   (b) (1) Indexes to general ledgers Ditto.
       (2) Indexes to subsidiary ledgers Ditto.
   (c) Trial balance sheets of general and subsidiary ledgers 2 years.

11. Journals:
   (a) General and subsidiary 50 years.

12. Journal vouchers and journal entries including supporting detail:
   (a) Journal vouchers and journal entries Ditto.
   (b) Analyses, summarizations, distributions, and other computations which support journal vouchers and journal entries:
       (1) Charging plant accounts 6 years. See ð733.10.
       (2) Charging all other accounts Ditto.
   (c) Schedules for recurring journal entries Destroy when superseded.
   (d) Lists of standard journal entry numbers Ditto.

13. Cash books:
   (a) General and subsidiary or auxiliary books 10 years after close of fiscal year. See Item 12(a).

14. Voucher registers:
   (a) Voucher registers or similar records when used as a source document 5 years. See ð733.10.

15. Vouchers:
   (a) Paid and canceled vouchers (one copy analysis sheets showing detailed distribution of charges on individual vouchers and other supporting papers) Ditto. See ð733.10.
   (b) Original bills and invoices for materials, services, etc., paid by vouchers 6 years. See ð 733.10.
   (c) Paid checks and receipts for payments by voucher or otherwise Ditto.
   (d) Authorization for the payment of specific vouchers Ditto.
   (e) Lists of unaudited bills (accounts payable), lists of vouchers transmitted and memoranda regarding Destroy at option.
16. Accounts receivable (see Item 53 and 54 for accounts with customers for utility service and for merchandise sales):

(a) Records of accounts receivable pertaining to sales of utility plant 3 years after settlement.

(b) Record or register of accounts receivable and indexes thereto and summaries of distribution

(c) Accounting department copies of invoices issued and supporting papers which do not accompany the original invoices and authorizations for charges including supporting papers

(d) Periodic statements of unsettled accounts, except trial balances

(e) Schedule of invoices to be issued

17. Records of securities owned:

(a) Records of securities owned, in treasury, or with custodians

(excluding temporary investment of cash)

18. Payroll records:

(a) Payroll sheets or registers of payments of salaries and wages See § 733.10.

(b) Records showing the distribution of salaries and wages paid and summaries or recapitulation statements of such distribution

(c) Time tickets, time sheets, time books, time cards, workmen's reports and other records showing hours worked, description of work and accounts to be charged:

(1) When used as a basis for payment of salaries and wages supporting records described in Item 18 (a) See § 733.10

(2) When used solely as basis for supporting records described in Item 18 (b) See § 733.10

(d) Paid checks, receipts for wages paid in cash and other evidences of payments for services rendered by employees See § 733.10.

(e) Applications and authorizations for changes in wage and salary rates, summaries and reports of changes in payrolls, and similar records

(f) Applications for payroll changes not authorized

(g) Payroll authorizations and records of authorized positions 3 years.

(h) Records of deductions from payrolls

(i) Comparative or analytical statements

Ditto.
of payrolls
(j) Employee's individual earnings record 6 years after termination of employment.

19. Assignments, attachments, and garnishments:
(a) Record of assignments, attachments, and garnishments of employees' salaries, including files of notices, etc., pertaining thereto Destroy at option.
(b) Minors' salary releases Ditto.

INSURANCE
20. Insurance records.
(a) Records of insurance policies in force, showing coverage, premiums paid and expiration dates Destroy at option after expiration of such policies.
(b) Insurance policies Ditto.
(c) Records of amounts recovered from insurance companies in connection with losses and of claims against insurance companies, including reports of losses and supporting papers 6 years. See § 733.10.
(d) Inspectors' reports and records of condition of property Destroy when superseded.
(e) Insurance maps of property and structures erected thereon Ditto.
(f) Records and statements relating to insurance requirements Destroy at option.

21. Injuries and damages:
(a) Claim registers, card or book indexes and similar records in connection with claims presented against the company in connection with accidents resulting in damage to the property of others or personal injuries 2 years after settlement.
(b) Papers, reports, statements of witnesses, etc., necessary to the support or rejection of individual claims against the company Ditto.
(c) Other papers, reports or statements, pertaining to accidents resulting in property damages or personal injuries, not necessary to the support or rejection of claims Destroy at option.
(d) Detailed schedules or spread sheets of payments to others for personal injuries or for property damages 2 years after settlement.

OPERATIONS AND MAINTENANCE
22.1 Production - Electric and Steam:
(a) Boiler room, condenser room, turbine room, and pump room logs including supporting data 3 years.
(b) Boiler room and turbine room reports of equipment in service and performance Ditto.
(c) Boiler-tube failure report Ditto.
(d) Generation and output logs with supporting data 6 years.
(e) Station and system generation reports 25 years.
   See õ 733.10.
(f) Generating high-tension and low-tension load records 3 years.
(g) Oil and waste reports Ditto.
(h) Load curves, temperature logs, coal and water logs Ditto.
(i) Gage-reading reports
   (j) Recording instrument charts
   2 years, except river-flow data collected in connection with hydro-operation which shall be retained for life of corporation 1 year, except where the basic chart information is transferred to another record, the charts need only be retained six months provided the record containing the basic data is retained one year.
(k) Load dispatcher's and station permits Ditto.

22.2 Production - Gas:
(a) Boiler and gas machine logs, including supporting data 3 years.
(b) Gas generation and output logs with supporting data Ditto.
(c) Temperature and atmospheric pressure logs Ditto.
(d) Coal, coke and oil reports Ditto.
(e) Residual reports Ditto.
(f) Recording instrument charts such as pressure (static and/or differential), temperature, specific gravity, heating value, etc. 1 year, except where the basic chart information is transferred to another record, the charts need only be retained six months: provided the record containing the basic data is retained one year.
(g) Test of heating value at stations and outlying points 6 years.
(h) Records of gas produced, gas purchased, gas sent out and holder stock Ditto.
(i) Analysis of gas produced and purchased including BTU and sulphur content
   Ditto.
(j) Records of general inspection and operating tests 3 years.
(k) Well records, including clearing, bailing, shooting, etc., records; rock pressure; open flow; production, gas analysts' reports, etc. 1 year after field or relevant production area abandoned.
(l) Gas production 6 years.
(m) Gas production by counties Destroy at option.
(n) Gas measuring records 1 year, except where the basic chart information is transferred to another record, the charts need only be retained six months provided the record containing the basic data is retained one year.

(o) Tool record For life of equipment.
(p) Royalty record 6 years.
(q) Records of meter tests Until superseding test, but not less than two years.
(r) Meter history records For life of meter.

22.3 Production - Nuclear
(a) Records of normal plant operation, including power levels and periods of operations at each power level 6 years. However, operating charts for the first year's operation will be stored for the life of the corporation.
(b) Records of principal maintenance activities, including inspection, repair, substitution or replacement of principal items of equipment pertaining to nuclear safety Ditto.
(c) Records of abnormal occurrences Ditto.
(d) Records of periodic checks, inspections and calibrations performed to verify that surveillance requirements are being met Ditto.
(e) Records and prints of changes made to the plant as described in the Final Safety Analysis Report Life of Corporation.
(f) Records of new and spent fuel inventory and assembly histories Ditto.
(g) Records of monthly plant radiation and continuation surveys Ditto.
(h) Records of off-site environmental monitoring surveys Ditto.
(i) Records of radiation exposure of all plant personnel, including all contractors and visitors to the plant who enter radiation control areas

(j) Records of radioactivity in liquid and gaseous wastes released to the environment

(k) Records of any special reactor tests or experiments

(l) Records of changes made in the operating procedures

22.4 Production - Water Supply, Purification and Pumping:

(a) Record of water supplied to distribution system by sources 15 years or 3 years after the source is abandoned, whichever is shorter.

(b) Boiler room, condenser room, turbine room, and pump room logs, including supporting data 3 years.

(c) Boiler room and turbine room reports of equipment in service and performance Ditto.

(d) Equipment failure report Ditto.

(e) Pumping output logs with supporting data 6 years.

(f) Station output reports 25 years.

(g) Oil and waste reports 3 years.

(h) Coal and water logs Ditto.

(i) Gage-reading reports Ditto.

(j) Recording instrument charts Ditto.

23.1 Transmission and Distribution - Electric and Steam:

See § 733.14.

(a) Substation and transmission line logs Ditto.

(b) System operator's daily logs and reports of operation Ditto.

(c) Storage battery and other equipment logs and records Ditto.

(d) Interruption logs and reports 6 years.

(e) Records of substation general inspections and operation tests. 3 years.

(f) Apparatus failure reports 6 years.

(g) Line-trouble reports and records 3 years.

(h) Lightning and storm data 6 years.

(i) Insulator test records 3 years.

(j) Reports on inspections and repairs of all street openings 6 years.

(k) Records of meter tests Most recent test record shall be retained for at least 6 years, and any prior test record shall be retained for at least 2 years, or as may be necessary to comply with service rules regarding refunds.
(l) Meter shop reports (monthly reports summarizing tests, repairs, etc.)

3 years.

(m) Meter history records

For life of meter.

(n) Transformer history records

For life of transformer.

(o) Records of transformer inspections, oil tests, etc.

Destroy at option.

(p) Pole, tower, structure, equipment and other history records

For life of equipment.

(q) Board of Fire Underwriters certificates

3 years.

(r) Orders from municipalities in connection with street lighting or traffic signal systems

Ditto.

(s) Service record-condensation pumped in steam distribution system

1 year.

(t) Valve record size, location, and operating data

Life of corporation, unless information is summarized in other records

23.2 Transmission and Distribution-Gas: See ò 733.14.

(a) Transmission line logs

5 years.

(b) Transmission and distribution department load dispatching operating logs

Ditto.

(c) Service interruption logs and reports

6 years.

(d) Records of general inspection and operating tests

3 years.

(e) Reports on inspections and repairs of all street openings

6 years.

(f) Apparatus failure reports

Ditto.

(g) Records of meter tests

Most recent test record shall be retained for at least 6 years, and any prior test record shall be retained for at least 2 years, or as may be necessary to comply with service rules regarding refunds on fast meters.

(h) Meter history records

For life of meter.

3 years.

(i) Meter shop reports (monthly reports summarizing tests, repairs, etc.)

Ditto.

(j) Gas measuring records

Ditto.

(k) Transmission line operating reports

Ditto.

(l) Compressor operation and reports

Ditto.

(m) Gas pressure department reports

Ditto.

(n) Recording instrument charts such as pressure (static and differential), temperature, specific gravity, heating value, etc.

1 year, except where the basic chart information is transferred to another record, the charts need only be retained 6 months pro-
23.3 Transmission and Distribution - Water: See 152.14(e); 292.14(e); 441.14(e); or 542.14(e), as appropriate.
(a) Operator's daily logs and reports of operation
(b) Equipment logs and records
(c) Apparatus failure reports
(d) Reports on inspections and repairs of all street openings
(e) Records of meter tests

24. Customers' service:
(a) Reports of inspections of customers' premises
(b) Records and reports of customers' service complaints
(c) Survey of customers' premises to determine type of service and equipment to be installed
(d) Records of installed customers' appliances

25. Records of auxiliary and other operations:
(a) Records of operations other than utility operations

26. Maintenance work orders and job orders:
(a) Authorization for expenditures for maintenance work to be covered by work orders, including memoranda showing the estimates of costs to be incurred
(b) Work order sheets to which are posted in detail the entries for labor, material, and other charges in connection with maintenance, and other work pertaining to utility operations
(c) Summaries of expenditures on maintenance.
ance and job orders and clearances to operating and other accounts (exclusive of plant accounts)

PERSONNEL

27. Personnel records:
   (a) Employees' service records, length of service and other pertinent data 3 years after termination of employment.
   (b) Applications for employment, requests for medical examination, medical examiner's report, photographs and other identification records, and other miscellaneous records pertaining to the hiring of employees

28. Employees' benefit and pension records:
   (a) Detailed records showing computations of accruals for pension liabilities 6 years after supercession of the study or report of termination of plan.
   (b) Pension or annuity payrolls 6 years.
   (c) Pension paychecks 3 years.
   (d) Records pertaining to employees' benefit programs

29. Instructions to employees and others:
   (a) Bulletins or memoranda of general instructions issued by the company to employees pertaining to changes in accounting, engineering, operating, maintenance and construction policies
   (b) Bulletins or memoranda of general instructions issued by the company to employees pertaining to accounting, engineering, operating, maintenance and construction methods and procedures
   (c) Notices to employees on matters of discipline, deportment and other similar subjects

PLANT AND DEPRECIATION

30. Plant ledgers:
   (a) Ledgers of utility plant accounts including land and other detailed ledgers showing the cost of utility plant by classes
   (b) Continuing plant inventory ledger, book or card records showing description, location, quantities, cost, etc., of physical units (or items) of utility plant owned

31. Construction work in progress ledgers, work orders, and supplemental records:
   (a) Construction work in progress ledgers 10 years after clearance to the plant account, provided continuing plant inventory records are maintained;
otherwise six years after plant is retired.

(b) Work order sheets to which are posted in summary form or in detail the entries for labor, materials and other charges for utility plant additions and the entries closing the work orders to utility plant in service at completion

(c) Authorizations for expenditures for additions to utility plant, including memoranda showing the detailed estimates of cost and the bases therefor (including original and revised or subsequent authorizations)

(d) Requisitions and registers of authorizations for utility plant expenditures

(e) Completion or performance reports showing comparison between authorized estimates and actual expenditures for utility plant additions

(f) Analysis or cost reports showing quantities of materials used, unit costs, number of man-hours, etc., in connection with completed construction project

(g) Records and reports pertaining to progress of construction work, the order in which jobs are to be completed, and similar records which do not form a basis of entries to the accounts

(h) Well-drilling logs and well-construction records

32. Retirement work in progress ledgers, work orders, and supplemental records:
(a) Work order sheets to which are posted the entries for removal costs, materials recovered and credits to utility plant accounts for cost of plant retired

(b) Authorizations for retirement of utility plant, including memoranda showing the basis for determination of cost of plant to be retired and estimates of salvage and removal costs.

(c) Registers of retirement work orders

33. Summary sheets, distribution sheets, reports, statements, and papers directly otherwise six years after plant is retired.

Ditto.
supporting debits and credits to utility plant accounts not covered by construction or retirement work orders and their supporting records.

34. Appraisals and valuations:
Appraisals and valuations made by the company of its properties or investments or of the properties or investments of any associated companies. (Includes all records essential thereto)

35. Maps and map reproductions:
(a) Geological maps and aerial photographs of field showing the location and physical characteristics of production, transmission, and distribution systems of the utility or natural gas company

36. Engineering records in connection with construction projects:
(a) Maps, diagrams, profiles, plans, photographs, records of engineering studies and similar records in connection with proposed construction projects:
(1) If construction of project results wholly or in part
(2) If construction of project does not result

37. Contracts and other agreements relating to utility or natural gas company records:
(a) Contracts relating to acquisition or sale of plant
(b) Contracts and other agreements relating to services performed in connection with construction of utility plant (including contracts for the construction of plant by others for the utility and for supervision and engineering relating to construction work)
(c) The primary records of gas acreage owned, leased or optioned excluding deeds and leases but including such records as lease sheets, leasehold cards, and option agreements

38. Record pertaining to reclassifications of utility plants accounts to conform to prescribe systems of accounts, including supporting papers showing the bases for such reclassifications.

34. Appraisals and valuations:
3 years after disposition, termination of lease, or write-off of property or investment.

35. Maps and map reproductions:
Until map is superseded or 6 years after plant is retired, provided mortality data are retained.

36. Engineering records in connection with construction projects:
Until record is superseded or 6 years after plant is retired.

37. Contracts and other agreements relating to utility or natural gas company records:
Destroy at option after completely accounting for expenses incurred.

38. Record pertaining to reclassifications of utility plants accounts to conform to prescribe systems of accounts, including supporting papers showing the bases for such reclassifications.
39. Records of accumulated provision for
depreciation and depletion of utility
plants:
   (a) Detailed records or analysis sheets
       segregating the accumulated provision
       for depreciation according to func-
tional classification of plant
       25 years.
   (b) Records supporting computation of
       Ditto. depreciation and depletion expense of
       utility plant, including such data as
       life and salvage studies

PURCHASES AND STORES

40. Procurements:
   (a) Agreements entered into for the
       acquisition of goods
       or the performance of
       services. Includes all forms of agree-
       ments not specifically set forth in
       Item 7 such as, but not limited to:
       letters of intent, exchange
       of correspondence,
       master agreements, term contracts,
       rental
       agreements and the various types of
       purchase orders:
       (1) For goods or services relating
           to plant construction
           6 years. See ő
           733.10.
       (2) For other goods or services
           Ditto. (See Item
           6 years.
   (b) Supporting documents including
       Ditto. (See Item
       bids or proposals evidencing all
       relevant elements of the procurement
       12(b)).
   (c) All other procurement record such
       Destroy at option
       as requisitions, advice from sup-
       pliers, registers or similar records
       accounts have been
       of invoices
       examined by in-
       dependent accountants.

41. Material ledgers:
   (a) Ledger sheets and card records of
       6 years (See Item
       materials and supplies received,
       12(b)).
       issued and on hand
       (b) Statements of materials and supplies
           Destroy at option
           on hand, per ledgers
           after completion
           of annual audit
           by independent

42. Materials and supplies received and issued:
   (a) Records and reports pertaining to
       Ditto.
       receipt of materials and supplies
   (b) Records of inspecting and testing
       Destroy at option.
       materials and supplies
   (c) Records showing the detailed dis-
       6 years. (See Item
       tribution of material and supplies
       12(b)).
       issued during accounting periods
   (d) Records of material issued,
transferred or returned to stock:

(1) Showing quantities, unit prices, and accounts to be charged

(2) Showing only quantities and accounts to be charged

(e) Minor records and reports pertaining to materials and supplies not involving costs or final disposition, such as reports of un-filled requisitions, authorizations for additions to stock, and similar records, also storeroom copies of purchase orders and price records, other copies being retained in files of purchasing department

Destroy at option if the basic information contained thereon is transferred to other records.

Destroy at option.

43. Records of sales of scrap and materials and supplies:

(a) Authorization for sale of scrap and materials and supplies

(b) Contracts for sale of scrap and materials and supplies

(c) Memoranda pertaining to sale of scrap and materials and supplies

Destroy at option.

Ditto.

44. Inventories of materials and supplies:

(a) General inventories of materials and supplies on hand with records of adjustments of accounts required to bring store records into agreements with physical inventories

Destroy at option after completion of annual audit by independent accountants

(b) Stock cards, inventory cards, and other detailed records pertaining to the order taking of inventories if abstracted into records covered by Item 44(a) above

Destroy at option.

Ditto.

(c) Minor inventories of materials and supplies on hand if not reflected in adjustments of accounts

REVENUE ACCOUNTING AND COLLECTING

45. Customers' service applications and contracts:

(a) Application for utility service for which contracts have been executed

(b) Applications for utility service used in lieu of contracts

(c) Contracts and card files or other records thereof with customers for utility service (See also Item 7(b))

(d) Applications for utility service which were withdrawn by applicant or not granted by the utility

Ditto.

1 year.

1 year after expiration or cancellation.

1 year.
(e) Contracts or sales agreements with customers and others for sale of merchandise and appliances 1 year after sales agreement is discharged.

(f) Contracts for lease of equipment to customers, including receipts for same 1 year after expiration of contract or return of equipment.

(g) Applications and contracts for extensions covered by refundable deposits or guarantees of revenue, also records pertaining to such contracts 1 year after entire amount is refunded.

(h) Applications and contracts for extension for which donations or contributions are made by customer or others 50 years.

46. Rate schedules:
   (a) General files of published rate sheets and schedules of utility service. Ditto.
       (Including schedules suspended or superseded)
   (b) Divisional or local office copies of rate sheets and schedules of utility service 1 year after expiration or cancellation.

47. Customers' guarantee deposits:
   (a) Customers' deposit ledgers or card records 6 years after refund.
   (b) Customers' deposit certificate books Ditto.
   (c) Receipts for customers' deposits refunded Ditto.
   (d) Receipts for interest on customers' deposits Ditto.

48. Meter reading sheets and records:
   (a) Superseded meter reading sheets and records 2 years or as may be necessary to comply with service rules regarding refunds on fast meters.
   (b) Meter reread sheets (special readings to check high or low consumption) and records 1 year.
   (c) Customers' reading cards Ditto.
   (d) Connection and disconnection orders and records Ditto.
   (e) Superseded indexes to meter books and records Destroy at option.
   (f) Mark sensed meter reading cards and records Destroy at option after transferring data to other record.

49. Maximum demand, pressure, temperature, and specific gravity charts and demand meter record cards 1 year except where the basic chart information is trans-
ferred to another record the charts need only be retained 6 months, provided that the record containing the basis data is retained 1 year.

50. Miscellaneous billing data:
(a) Billing department's copies of contracts with customers (in addition to contracts in general files) Destroy at option.
(b) Service and inspection orders from which customers are charged and sundry charge advices 1 year.
(c) Authorizations for charges under utility service contracts 1 year after expiration of contract.
(d) Standard billing sheets or schedules (showing computed bills of varying consumption according to rates) Destroy at option.

51. Revenue summaries:
(a) Summaries of monthly operating revenues according to classes of service for entire utility 6 years.
(b) Summaries of monthly operating revenues according to classes of service by towns, districts, or divisions. (Including summaries of forfeited discounts and penalties) Ditto.

52. Customers' ledgers and other records used in lieu thereof:
(a) Customers' ledgers 2 years or as may be necessary to comply with service rules regarding refunds on fast meters.
(b) Records used in lieu of customers' ledgers, such as bill summaries, registers, bill stubs, etc. Ditto.
(c) Copies of large bills
   (1) If details are transcribed to ledgers covered by Item (a) above Destroy at option.
   (2) If details are not transcribed to ledgers 2 years.
(d) Trial balances of ledgers referred to above 1 year.
(e) Indexes to customers' accounts 2 years.
(f) Change of address notices Destroy at option.
(g) Cards and other records relating to forfeited discounts 2 years.

53. Merchandise sales - accounting and collecting:
(a) Merchandise sales tickets (duplicates) and charge slips for work done Destroy at option after annual audit and 6 months after account is settled.

(b) Merchandise registers and summaries of sales. 3 years.

(c) Merchandise ledgers and installment records 1 year after completion of payments.

(d) Merchandise sales returns and adjustment tickets Destroy at option after annual audit and 6 months after account is settled.

(e) Cashiers' stubs for merchandise collections 6 months.

(f) Cashiers' periodic reports and statements of collection on merchandise accounts 1 year.

(g) Records of monthly statements to customers Destroy at option.

(h) Reports relating to status of merchandise accounts receivable 1 year.

(i) Job orders and supporting details of charges to customers for work done 3 years.

(j) Indexes and trial balances of merchandise ledgers 1 year.

54. Collection reports and records:
(a) Periodic reports, lists, and summaries of collections of operating revenues by collectors, agents, and local or divisional or district offices. (See Item 60(d)) Destroy at option.

(b) Bill stubs, copies of bills, collection slips, and other records pertaining to collections, summarized or detailed in daily or periodic cash reports 6 months.

(c) Memorandum records of remittances from local or branch offices Ditto.

Note: See Item 59 pertaining to deposits of cash with banks. Item 59 applies to all bank accounts whether at general, local, or divisional offices

55. Customers' account adjustments:
(a) Detailed records pertaining to adjustments of customers' accounts for overcharges, undercharges, and other errors, results of which have been transcribed to other records 1 year.

(b) Detailed records of high-bill complaints whether or not resulting in adjustments to customers' accounts Ditto.

56. Uncollectible accounts and customers' credit records:
(a) Records of ratings, credit classifications, and investigations of customers
   Destroy at option.
(b) Ledger accounts and supporting details of customers' accounts considered to be uncollectible
   For period legally collectible.
(c) Reports and statements showing age and status of customers' accounts
   1 year.
(d) Data on unpaid final bills
   Ditto.
(e) Authorizations for writing off customers' accounts
   3 years.

TAX
57. Tax records:
(a) Copies of returns and schedules filed with taxing authorities, supporting work papers, records of appeals, tax bills and receipts for payment. (See Item 15(b) for vouchers evidencing disbursements)
   (1) Federal income tax returns
       7 years after settlement.
   (2) State income and property tax returns
       2 years after settlement.
   (3) Sales and use taxes
       3 years.
   (4) Other taxes
       2 years after settlement.
   (5) Agreements between associate companies as to allocation of consolidated income taxes
       7 years after settlement.
   (6) Schedule of allocation of consolidating federal income taxes among associate companies
       Ditto.
(b) Summaries of taxes paid
   Destroy at option.
(c) Filings with taxing authorities to qualify employee benefit plans
   7 years after settlement of federal return or discontinuance of plan, whichever is later.
(d) Information returns and reports to taxing authorities
   3 years, or for the period of any extensions granted for audit.

TREASURY
58. Statements of funds and deposits:
(a) Summaries and periodic statements of cash balances on hand and with depositories
   Destroy at option.
(b) Statements of managers' and agents' cash balances on hand and with depositories
   Ditto.
(c) Authorizations for, and statements of, transfer of funds from one depository to another
   Ditto.
| (d) | Requisitions and receipts for funds furnished managers, agents, and others | Destroy at option after funds have been returned or accounted for. |
| (e) | Records of fidelity bonds of employees and others responsible for funds of the utility | Destroy at option after liability and bonding has expired. |
| (f) | Reports and estimates of funds required for general and special purposes. | Destroy at option. |

59. Records of deposits with banks and others:

| (a) | Copies of bank deposit slips | Destroy at option after completion of annual audit by independent accountants. |
| (b) | Advise of deposits made when information thereon is shown on other records which are retained | Ditto. |
| (c) | Statements from depositories showing the details of funds received, disbursed, transferred, and balances on deposit | Ditto. |
| (d) | Bank reconcilement papers | Destroy at option after completion of annual audit by independent accountants |
| (e) | Statements from banks of interest credits | Ditto. |
| (f) | Check stubs, registers, or other records of checks issued | 6 years. |
| (g) | Correspondence and memoranda relating to the stopping of payment of bank checks and to the issuance of duplicate checks | 6 years or destroy at option after check is recovered. |

60. Records of receipts and disbursements:

| (a) | Daily or other periodic statements of receipts or disbursements of funds | Destroy at option after completion of annual audit by independent accountants. |
| (b) | Records of periodic statements of outstanding vouchers, checks, drafts, etc. issued and not presented | Ditto. |
| (c) | Reports of associates showing working fund transactions and summaries thereof | Ditto. |
| (d) | Reports of revenue collections by field cashiers, pay stations, etc. | Ditto. |

61. Statistics and miscellaneous:

| (a) | Annual financial, operating and statistical reports regularly prepared in the course of business for internal administrative of operating purposes (and not used as the basis for entries to accounts of the companies concerned) to show the results of operations and | 10 years after date of report. |
(b) Quarterly, monthly or other periodic financial, operating and other statistical reports as above 2 years after date of report.

(c) All other statistical reports (not covered elsewhere in these regulations) prepared for internal administrative or operating purposes only and not used as the basis for entries to the accounts of the company Destroy at option.

62. Budgets and other forecasts:
Prepared for internal administrative or operating purposes of estimated future income, receipts and expenditures in connection with financing, construction and operations and acquisitions or disposals of properties or investments by the company and its associate companies, including revisions of such estimates and memoranda showing reasons for revisions; also records showing comparison of actual income and receipts and expenditures with estimates 3 years.

63. Correspondence:
(a) Correspondence and indexes thereto relating to offices covered by other items of these regulations Retain for the period prescribed for the item to which it relates when necessary for a proper explanation of same.

(b) Stenographers' notebooks and dictaphone or other mechanical device records Destroy at option.

(c) Mailing lists of prospects for appliance sales, securities, etc. Ditto.

64. Records of predecessors and former associates Retain until the records of utility plant acquired have been integrated with the utility's plant records and the original cost of the acquired plant is adequately supported by cost details and until it is ascertained that such records are not necessary to fulfillment of any unsatisfied regulatory requirement, such as:
(a) approval and recording of accounting adjustments resulting from reclassification and original cost
studies and acceptance of property acquisition journal entries, (b) cost, depreciation and amortization reserve determinations for plant, (c) establishment of continuing plant inventory records or accounting evidence of the cost of long-lived property in the absence of such continuing plant inventory records.

65. Reports to federal and state regulatory commissions:
   (a) Annual financial, operating and statistical reports
   (b) Monthly and quarterly reports of operating revenues, expenses, and statistics
   (c) Special or periodic reports on the following subjects:
       (1) Transactions with associated companies
       (2) Budgets of expenditures
       (3) Accidents
       (4) Employees and wages
       (5) Loans to officers and employees
       (6) Issues of securities
       (7) Purchases and sales, utility properties
       (8) Plant changes - units added and retired
       (9) Service interruptions

66. Other miscellaneous records:
   (a) Copies of advertisements by the company in behalf of itself or any associate company in newspapers, magazines and other publications including records thereof. (Excluding advertising of product, appliances, employment opportunities, services, territory,
routine notices and invitations for
bids for securities, all of which
may be destroyed at option)
(b) Indexes of forms used by company Destroy when
superseded.

PART 753
PROTECTION OF UNDERGROUND FACILITIES
(Statutory Authority: Public Service Law, § 119-b
and General Business Law, Art. 36)

Subpart 753-1 General Requirements
Subpart 753-2 Duties of Local Governing Bodies
Subpart 753-3 Duties of Excavators
Subpart 753-4 Duties of Operators
Subpart 753-5 One-Call Notification Systems
Subpart 753-6 Enforcement procedures

Sec.
753-1.1 Purpose
753-1.2 Definitions

The purpose of these rules is to establish procedures for the
protection of underground facilities in order to assure public safety
and to prevent damage to public and private property, as required by
General Business Law, Article 36 and Public Service Law, Section 119-b.
This Part may be cited as Industrial Code 53 or Code Rule 53, in
addition to its designation as Part 753.

Subpart 753-1
GENERAL REQUIREMENTS

753-1.1 Purpose.
The purpose of these rules is to establish procedures for the
protection of underground facilities in order to assure public safety
and to prevent damage to public and private property, as required by
General Business Law, Article 36 and Public Service Law, Section 119-b.
This Part may be cited as Industrial Code 53 or Code Rule 53, in
addition to its designation as Part 753.

753-1.2 Definitions.
When used in this Part, unless the context otherwise requires, the
following terms shall have the following meanings:
(a) Automated Positive Response (APR) system: a system established by
the one-call notification system to furnish a single point of contact
between member operators and excavators for the purpose of
communicating, the status of an excavation location request as provided
by the member operators.
(b) Commission. The Public Service Commission.
(c) Contact. Any defacing, scraping, impact upon an underground
facility or its protective coating, housing or other protective device.
(d) Damage. Any destruction or severance of any underground facility
or its protective coating, housing or other protective device or any
displacement of or removal of support from any underground facility
which would necessitate repair of such facility.
(e) Department. The Department of Public Service.
(f) Demolition. The total or partial wrecking, razing, rending, moving
or removal of any structure.
(g) Enforcement proceeding: A proceeding by the Commission to determine a penalty, for violations of this part, under the authority of \(6119\) (\(b\)(8)) of the Public Service Law.

(h) Emergency. Any abnormal condition which presents an immediate danger to life or property including the discontinuance of a vital utility service necessary for the maintenance of public health, safety and welfare.

(i) Excavation. Any operation for the purpose of movement or removal of earth, rock, pavement or other materials in or on the ground by use of mechanized equipment or by blasting, including, but not limited to, digging, auguring, backfilling, boring, drilling, grading, plowing in, pulling in, fence post or pile driving, tree root removal, sawcutting, jackhammering, trenching and tunneling; provided, however, that the following shall not be deemed excavation:

1. the movement of earth by tools manipulated only by human or animal power;
2. the tilling of soil for agricultural purposes;
3. vacuum excavation; and
4. sawcutting and jackhammering in connection with payment restoration of a previous excavation where only the pavement is involved.

(j) Excavator. Any person who is engaged in a trade or business which includes the carrying out of excavation or demolition; provided, however, that an individual employed by an excavator and having no supervisory authority other than the routine direction of employees over an excavation or demolition, shall not be deemed an excavator for the purpose of this Part. The act of any employee or agent of any excavator acting within the scope of his or her official duties or employment shall be deemed to be the act of such excavator.

(k) Field Citation. A written statement issued pursuant to subdivision 753-6.2 of this Part by an employee of the Department informing a Respondent that, in the judgment of the employee, a violation has occurred and setting forth the specific provisions that were allegedly violated by Respondent.

(l) Hand dug test holes. Excavations performed for designating, testing or verification purposes which are dug by the use of hand-held tools utilizing only human power. The use of vacuum excavation techniques is an acceptable means of exposing underground facilities.

(m) Local governing body. A town, village or city outside the city of New York or a county within the city of New York.

(n) Near. An area within 15 feet of the outside perimeter or diameter of an underground facility or its encasement.

(o) Notice of probable violation (NOPV): A written statement or letter from the Department, containing the items specified by subdivision 753-6.4(b) of this Part, to a Respondent informing him or her that an enforcement proceeding is being initiated.

(p) One-call notification system. Any organization among whose purposes is establishing and carrying out procedures to protect underground facilities from damage due to excavation and demolition, including but not limited to, receiving notices of intent to perform excavation and demolition and transmitting the notices to one or more member operators of underground facilities in the specified area.

(q) Operator. Any person who operates an underground facility to furnish any of the following services or materials: electricity, gases,
steam, liquid petroleum products, telephone or telegraph communications, cable television, sewage removal, traffic control systems, or water.

(r) Person. Any individual, firm, corporation, association or partnership, cooperative association, joint venture, joint stock association, business trust, their lessees, trustees or receivers, municipality, governmental unit or public authority whether or not incorporated.

(s) Powered equipment. Any equipment energized by an engine or motor and used in excavation or demolition work.

(t) Respondent: A person on whom the Department has served a field citation, warning letter or Notice of Probable Violation.

(u) Tolerance zone. If the diameter of the underground facility is known, the distance of one-half of the known diameter plus two feet, on either side of the designated center line or, if the diameter of the underground facility is not known, two feet on either side of the designated center line.

(v) Underground facility. A facility and its attachments located underground and installed by an operator to furnish its services or materials, including but not limited to, pipelines, conduits, ducts, cables, wires, manholes, vaults, tanks, tunnels and any encasement containing such facilities. Such term shall not include oil and gas production and gathering pipeline systems used primarily to collect oil or gas production from wells.

(w) Warning Letter. A written letter from the Department to a Respondent, pursuant to subdivision 753-6.3 of this Part, informing a Respondent that an alleged violation of a specific provision(s) of Part 753 has occurred or is continuing, advising the Respondent to correct it, if it is correctable, and to comply henceforth or be subject to enforcement actions under this Part.

(x) Work area. The area of the ground or equivalent surface which will be disturbed or removed by excavation work or affected by demolition work.

(y) Working days: Mondays through Fridays, exclusive of public holidays. The public holidays observed by the State of New York are as follows:

- New Years Day: January 1
- Martin Luther King Day: 3rd Monday in January
- President's Day: 3rd Monday in February
- Memorial Day: Last Monday in May
- Independence Day: July 4
- Labor Day: 1st Monday in September
- Columbus Day: 2nd Monday in October
- Veteran's Day: November 11
- Thanksgiving Day: 4th Thursday in November
- Christmas Day: December 25

If the holiday occurs on a Saturday, it will be observed the Friday before. If the holiday occurs on a Sunday, it will be observed the Monday after.
753-2.1 Provision and display of notice.

Any local governing body that issues permits for excavation and demolition shall provide a notice to applicants for permits that informs them about their responsibilities under state law to protect underground facilities and the existence, operation, programs and telephone number of the one-call notification system. Every such local governing body shall continuously display such notice in a conspicuous location in the office or agency it designates.

SUBPART 753-3
DUTIES OF EXCAVATORS

Sec. 753-3.1 Timing of notice for excavation or demolition
753-3.2 Detailed notice requirements
753-3.3 Commencement of excavation or demolition
753-3.4 Staking, marking or other designation
753-3.5 Preservation of stakes, markings or other designations
753-3.6 Verification of underground facilities
753-3.7 Unverifiable underground facilities
753-3.8 Powered excavating equipment limitations
753-3.9 Discovery of unknown underground facilities
753-3.10 Requirements concerning contact and damage to underground facilities
753-3.11 Requirements concerning underground facilities in danger of failing
753-3.12 Required support and protection for underground facilities
753-3.13 Backfilling requirements
753-3.14 Emergency requirements
753-3.15 Responsibility to employees

Section 753-3.1 Timing of notice for excavation or demolition.

(a) (1) Before commencing or engaging in any nonemergency excavation or demolition, each excavator shall provide notice of the location and date of the planned excavation or demolition to the one-call notification system serving the vicinity in which the excavation or demolition is to take place.

(2) Such notice shall be served at least two but not more than ten working days, not including the date of the call, before the commencement date of the excavation or demolition.

(b) Excavation or demolition which is required to be performed promptly as a result of an emergency, disaster or to correct an immediate hazard may proceed immediately without prior notification to operators, if the situation is so serious that the excavation or demolition cannot reasonably be delayed. However, excavators shall notify the one-call notification system as soon as possible that such excavation or demolition is commencing or is underway. Extreme caution shall be employed by the excavator to prevent damage to existing underground facilities and to avoid endangering persons and property.

(c) At least seven working days in advance of the commencement date of a demolition, the excavator shall request a pre-demolition conference, through the one-call notification system, with all member operators who have underground facilities at or near the demolition area. A pre-demolition conference may encompass one or more demolition(s) in the project area. A request for a pre-demolition conference is not a
substitute for the notice of intent to perform demolition work required by Section 753-3.1 of this Part.

(d) Whenever an excavator cancels an excavation or demolition, he or she shall promptly communicate the cancellation to facility operators utilizing the one-call notification system.

(1) Whenever an excavator postpones the commencement date for ten or less working days, no call to the one-call notification system or operators is required.

(2) Whenever an excavator postpones an excavation or demolition more than ten working days, the same requirements for notice shall pertain to the revised commencement date as listed in subdivision 753-3.1 (a) of this section.

(e) Information requested from an operator for design purposes shall not be a substitute for the notice of intent to perform excavation or demolition as required by this Subpart.

753-3.2 Detailed notice requirements.

(a) Every notice provided by an excavator to the one-call notification system concerning planned excavation or demolition shall contain at least the following information:

(1) Name of the person serving such notice;
(2) Name, address and telephone number of the excavator or excavator's company;
(3) Excavator's field telephone number, if one is available;
(4) Name of the field contact person, if any;
(5) Address and exact location as well as the extent and dimensions of the planned work area;
(6) Means of excavation or demolition and whether or not explosives are to be used;
(7) Brief description of the planned excavation or demolition;
(8) Date and time the excavation or demolition is planned to commence.

(b) When necessary for adequate identification, or as determined by mutual agreement of the operator and excavator, the excavator shall delineate the work area with white paint, white stakes or other suitable white markings.

753-3.3 Commencement of excavation or demolition.

(a) The excavator may proceed with excavation or demolition on the stated date of commencement if, prior thereto, he or she has received notification from each and every operator notified by the one-call notification system that:

(1) Such operator has no underground facility located in or within 15 feet of the work area; or
(2) That any underground facility located in or within 15 feet of the work area has been staked, marked or otherwise designated in accordance with the provisions of Subpart 753-4 of this Part.

(b) The excavator shall not commence the excavation or demolition on the stated commencement date if he or she has been notified by an operator that the staking, marking or other designations of an underground facility located in or within 15 feet of the work area will not be completed on the stated commencement date. In such case, the operator is required promptly to report such fact to the excavator and to inform the excavator of a prompt and practicable completion date, which in no case shall be more than two working days after the
excavator's stated commencement date, unless a longer period is agreed to by both parties.

(c) The excavator may proceed with excavation or demolition prior to the stated date of commencement once he or she has received notification from each and every operator notified by the one-call notification system that each operator has no underground facilities located in or within 15 feet of the work area.

(d) Where available through the one-call notification system, the excavator shall utilize the Automated Positive Response (APR) system in order to obtain the response(s) of the operators that were notified by the one-call notification system.

753-3.4 Staking, marking or other designation.
(a) Every excavator shall be familiar with the provisions of this Part, especially those relating to size and depth indications, color coding, center line or offset staking or marking and the location of underground facilities by designations other than staking or marking.
(b) Whenever the excavator determines that a review of the staking, marking or other designation is necessary or that additional information is required, he or she shall so notify the operator or the one-call notification system.

753-3.5 Preservation of stakes, markings or other designations.
Starting on the stated commencement date given in the excavator's notice to the one-call notification system, the excavator shall be responsible for protecting and preserving the staking, marking or other designation until no longer required for proper and safe excavation or demolition work at or near the underground facility.

753-3.6 Verification of underground facilities.
Where an underground facility has been staked, marked or otherwise designated by the operator and the tolerance zone overlaps with any part of the work area, or the projected line of a bore/directional drill intersects the tolerance zone, the excavator shall verify the precise location, type, size, direction of run and depth of such underground facility or its encasement. Verification shall be completed before the excavation or demolition is commenced or shall be performed as the work progresses.

(a) Powered or mechanized equipment may be used within the tolerance zone for removal of pavement or masonry but only to the depth of such pavement or masonry.
(1) Below the depth of pavement or masonry, powered equipment may be used in the tolerance zone prior to the verification of the location of facilities when agreed to in writing by the affected operator(s).
(2) Operators, or their agents and contractors working under their direction, may use powered equipment to locate their own facilities within the tolerance zone.

(b) The verification of underground facilities furnishing gas or liquid petroleum products shall be accomplished by the excavator by exposing the underground facility or its encasement to view by means of hand dug test holes at one or more points where the work area and tolerance zone overlap, or more points as designated by the operators of such facilities.

(c) The verification of underground facilities other than those
furnishing gas or liquid petroleum products shall be performed at one or more points for each such underground facility as may be required by the operator. Verification shall be accomplished by exposing the underground facility or its encasement to view by hand dug test holes or by other means mutually agreed to by the excavator and operator.

753-3.7 Unverifiable underground facilities.

If the precise location of an underground facility cannot be verified by the excavator after diligent search at a reasonable depth within the tolerance zone as staked, marked or otherwise designated by the operator, the excavator shall so notify such operator as soon as possible. The operator shall respond in accordance with subdivision 753-4.10 of this Part.

753-3.8 Powered excavating equipment limitations.

After verifying the location of an underground facility, the excavator shall not employ powered or mechanical excavating equipment closer than four inches in any direction from the staked, marked or otherwise designated or known outside diameter or perimeter of such facility or its protective coating unless agreed to in writing by the operator of the affected underground facility. Any such written agreement shall be furnished to the excavator by the operator, upon request.

753-3.9 Discovery of unknown underground facilities.

Where an undesignated or otherwise unknown underground facility is discovered within a work area, the excavator shall report such discovery as follows:

(a) If the identity of the operator of the discovered underground facility is known or is obvious, the excavator shall report the discovery to such operator. The operator shall respond immediately and, in accordance with section 753-4.9(d) of this Part, take any necessary action and advise the excavator as to whether he or she may proceed in the immediate area.

(b) (1) If the identity of the operator of the discovered underground facility is not known or obvious, the excavator shall report the discovery to the one-call notification system and each operator notified by the one-call notification system shall respond immediately and, in accordance with subdivision 753-4.9(d) of this Part, determine whether or not such discovered facility is his or hers.

(2) While awaiting a determination of ownership, the excavator may proceed with the excavation or demolition taking reasonable care to protect and prevent damage to such underground facility.

753-3.10 Requirements concerning contact and damage to underground facilities.

(a) Excavators shall take all reasonable precautions to prevent contact or damage to underground facilities and their protective coatings, including but not limited to, compliance with any reasonable directions or accepted engineering practices given by affected underground facility operators.

(b) In the event of contact with or damage to an underground facility, the excavator shall immediately notify the operator of the facility.

(c) All excavation or demolition in the immediate vicinity of the contacted or damaged portion of the underground facility shall be
suspended until such portion is repaired and the operator advises the excavator that excavation or demolition may proceed.

(d) No backfilling shall be done by the excavator in the vicinity of the contact or damage until the operator conducts an inspection and makes any necessary repairs; and, the excavator shall undertake no repairs unless and until authorized by the operator.

753-3.11 Requirements concerning underground facilities in danger of failing.

(a) An excavator who by removing the surrounding materials exposes an underground facility which in his or her judgment appears to have failed or to be in potential danger of failing from corrosion or other causes shall immediately report such condition to the operator of such underground facility.

(b) The excavator shall delay any further work in the immediate vicinity of such underground facility which could jeopardize it but may proceed in areas not affecting the questionable facility.

(c) The excavator may proceed in such immediate vicinity after the operator responds and takes necessary action in regard thereto and advises the excavator that he or she may proceed.

753-3.12 Required support and protection for underground facilities.

(a) An excavator shall provide prompt and adequate support and protection for every underground facility located in the work area as is reasonably specified by the operator of any such facility.

(b) In the absence of any specifications by the operator, the excavator shall provide support and protection in accordance with generally accepted engineering practice, including but not limited to shoring and bracing.

(c) Support shall be at least equivalent to the previously existing support and shall protect the underground facility against freezing and against traffic and other loads.

(d) Support shall be maintained during excavation, during backfilling and, if necessary, after backfilling is completed.

(e) The operator may, in agreement with the excavator, provide such support.

753-3.13 Backfilling requirements.

(a) An excavator performing excavation or demolition at an underground facility shall backfill such excavation with materials and in such manner as specified by the operator or, in the absence of such specifications, with suitable materials and in such manner as will avoid damage to, and provide proper support for, such underground facility and its protective coating both during and after backfilling operations.

(b) The excavator shall not place large rock, frozen earth, rubble, debris or other heavy or sharp materials or objects which could cause damage to or scraping against any underground facility.

(c) The backfill beneath and around any underground facility shall be properly compacted in accordance with generally accepted engineering practice.

(d) Heavy loads and excessive forces shall not be imposed on any exposed underground facility at any time during backfilling operations.
In the event of an emergency involving danger to life, health or property as a result of damage to an underground facility containing gas or liquid petroleum products or as a result of an electrical short or escape of gas or hazardous fluids, the excavator shall:

(a) proceed to evacuate his or her employees and all other endangered persons from the immediate vicinity to the best of his or her ability; and

(b) immediately notify 911 and the operator of the affected facility of the exact location, nature of the emergency and of the underground facility which is affected.

753-3.15 Responsibility to employees.

Every excavator subject to the provisions of this Part shall make certain that all of his or her employees directly involved in excavation or demolition are thoroughly familiar with the applicable provisions of this Part and especially the provisions of this Subpart relating to their safety.

753-4.1 Participation of operators.

(a) Every operator of an underground facility shall participate in a one-call notification system within whose geographical jurisdiction or boundaries such underground facility is located.

(b) Every operator who is not a member of the one-call notification system and installs, has installed for him or her, or otherwise acquires, an underground facility, shall participate in a one-call notification system within 10 days after commencement of the installation or after the acquisition.

753-4.2 Removal of underground facilities. Any operator who removes or transfers ownership of all of his or her underground facilities from within the boundaries of any one-call notification system shall promptly notify the system.
753-4.3 Operator furnished information.
(a) Every operator shall provide the one-call notification system at least the following information:
   (1) Corporate or other name and address of such operator.
   (2) Department, agency, office or individual designated by the operator to be notified by the one-call notification system or excavators and the local address and telephone number of such department, agency, office or individual.
(b) Whenever such information is revised, changed or found to be incomplete or incorrect, the operator shall provide corrected information to each one-call notification system in which he or she participates.

753-4.4 Receiving notices.
Each operator shall establish a means of receiving notices of planned excavation or demolition from the one-call notification system in accordance with the procedures of the system.

753-4.5 Operator's response to notice.
(a) Prior to the stated commencement date of the excavation or demolition work as stated in the recorded notice, the operator shall make a reasonable attempt to inform the excavator, by means of an Automated Positive Response (APR) system, where available, or by means of direct communications with the excavator, where APR is not available, that either:
   (1) The operator has no underground facility in or within 15 feet of the work area; or
   (2) Every underground facility belonging to him or her which is located in or within 15 feet of the work area has been staked, marked or otherwise designated in accordance with the provisions of this Subpart.
(b) Where an operator cannot complete the staking, marking or other designation of an underground facility prior to the stated commencement date and time of the excavation or demolition, the operator shall promptly report such fact to the excavator and shall inform the excavator of a prompt and practicable completion date which in no case shall be more than two working days after the excavator's stated commencement date, unless a longer period is agreed to by both parties.
(c) Whenever an excavator requests a review of any staking, marking or other designation, the operator shall comply with such request as soon as possible.

753-4.6 Locating underground facilities.
(a) Whenever an operator's underground facilities are in or within 15 feet of a work area, such facility shall be located, accurately and with due care, by means of staking, marking or other designation in accordance with the provisions of this Subpart.
(b) The following staking and marking requirements shall apply:
   (1) Stakes or surface markings shall be provided preferably at the center line of the underground facility and at such sufficient intervals as is necessary to indicate clearly the location and direction of run of such underground facility;
   (2) All stakes and surface markings shall be color coded in accordance with the provisions of this Subpart in order to identify the type of underground facility so staked or marked;
(3) Stakes and surface markings shall indicate in inches the size or diameter of the underground facility or its encasement, if known;
(4) Each stake and surface marking shall indicate in inches the depth of the underground facility at that point, if known;
(5) Surface markings shall consist of paint, dye or equivalent material which is color coded in accordance with the provisions of this Subpart and which contrasts with the ground or equivalent surface;
(6) Where conditions exist so as to render center line staking or marking impractical or confusing, the operator may indicate the location of an underground facility by means of offset staking or remote tie-in markings which will clearly indicate the location and direction of run of the facility.
(c) If staking or marking are not used to indicate the location of an underground facility, the operator shall designate such location in accordance with the following:
(1) By exposing the underground facility or its encasement to view within the work area in a manner sufficient to allow the excavator to verify the type, size, direction of run and depth of the facility;
(2) By providing field representation and instruction to the excavator in the work area; or
(3) By any other means as mutually agreed to by the operator and excavator, including but not limited to written descriptions, photographs or verbal instructions. Such agreement shall be provided in writing to the excavator upon his or her request.
(d) An operator, or its agents or contractors, performing excavation or demolition work at or near his or her own underground facility shall not be required to stake, mark or otherwise designate such underground facility.

753-4.7 Uniform color code.
The following uniform color code shall be utilized for staking and marking used to designate the location of underground facilities and excavation sites:
(a) Yellow - Gas, oil, petroleum products, steam, compressed air, compressed gases and all other hazardous liquid or gaseous materials except water.
(b) Red - Electric power lines or conduits.
(c) Orange - Communication lines or cables, including but not limited to telephone, telegraph, fire signals, cable television, civil defense, data systems, electronic controls and other instrumentation.
(d) Blue - Water.
(e) Green - Storm and sanitary sewers including force mains and other non-hazardous materials.
(f) Purple - Radioactive materials, reclaimed water, irrigation and slurry line.
(g) White - Excavation site.
(h) Pink - Survey markings.

753-4.8 Uniform identification letters. All staking and marking utilized for the location of underground facilities shall contain letter designations which will clearly identify the type of underground facility so staked or marked. Such letters shall comply with the following code:
(a) C - Communication facilities (other than telephone service).
Operator's response to notices of contact or damage, facilities in danger of failing and discovery of unknown underground facilities.

(a) Upon receipt of a notice from an excavator or a one-call notification system reporting contact or damage to an underground facility, the operator shall immediately inspect such facility and make the necessary repairs or shall advise the excavator that the excavation work may proceed.

(b) Such repairs may be performed by the operator or by others authorized by him or her, including the excavator.

(c) Upon receipt of a notice from an excavator or a one-call notification system of the discovery of an underground facility in danger of failing, the operator shall respond immediately and take any necessary action in regard thereto, and advise the excavator as to whether he or she may proceed in the immediate area.

(d) When an operator has been notified by an excavator or a one-call notification system that an unknown underground facility has been discovered in the course of the excavator's work, such operator shall immediately determine whether or not such discovered facility is his or hers by means of records, on-site inspection or otherwise, and as soon as practicable either:

(1) advise the excavator that the unknown facility is not his or hers; or

(2) if such facility does belong to him or her, advise the excavator on how to proceed and of any special requirements the operator deems necessary.

Unverifiable underground facilities.

If an excavator notifies an operator that, after diligent search at a reasonable depth within the tolerance zone as staked, marked or otherwise designated by the operator, that he or she cannot verify the location of an underground facility, the operator shall verify such location as soon as possible or shall provide the excavator with prompt field assistance or use other means mutually agreed to by the excavator and operator. Such agreement shall be provided to the excavator upon his or her request.

Emergency service requirements.
(a) Each operator of an underground facility containing gas or liquid petroleum products shall provide means for accepting emergency calls and prompt field assistance to such calls on a 24 hour-per-day basis.

753-4.12 Requirements concerning demolition.
In addition to responding in accordance with section 753-4.6(a) of this Subpart, the operator shall attend a pre-demolition conference with the excavator upon the excavator's request.

753-4.13 Support and backfilling requirements.
Where an underground facility will be disturbed or uncovered by excavation or demolition, the operator of such facility shall indicate to the excavator any preferred means of support or protection required for such facility and any special backfilling requirements or provide any other guidance for protection of an underground facility. Such information shall be furnished to the excavator before the stated date of commencement of the work, if practical.

753-4.14 Information for design purposes.
Each operator shall provide a means by which information regarding the location of underground facilities can be obtained for design purposes. Such means may include, but are not limited to; provision of maps, meetings, or marking in accordance with Section 753-4.6 and shall be performed within mutually agreed to timeframes.

753-5.1 Qualifications.
(a) The total extent of one-call notification systems shall be such in numbers and locations as to provide protection of underground facilities throughout all areas of the state with no geographic overlap of areas served.

(b) Every one-call notification system shall be governed by a not-for-profit corporation in accordance with the minimum requirements contained in the law and in this Part.

753-5.2 Notice procedures.
Every one-call notification system shall:
(a) Establish an effective notification service for receipt of notices from excavators, including a toll-free telephone number, and for transmission of such notices to every member operator who has underground facilities in or within 15 feet of the work area. Such notices may include:
   (1) notice of a planned excavation or demolition;
   (2) a request for a pre-construction or pre-demolition conference relating to excavation or demolition work at or near underground facilities; or
   (3) a notice of the discovery of an unknown underground facility;
(b) Provide a direct means of communication between the one-call
notification system and each operator who is a member of the system;
(c) Use a standardized format to record all incoming notices or
requests from excavators, including at least the following information:
(1) Date and time of receipt of a notice or request;
(2) Name of the person serving such notice or making such request;
(3) Name, address and telephone number of the excavator or excavator's
company;
(4) Excavator's field telephone number, if one is available;
(5) Name of the excavator's field contact person, if any;
(6) Address and exact location as well as the approximate extent and
dimensions of the work area;
(7) Means of excavation or demolition and plans for use of explosives;
(8) Brief description of the planned excavation or demolition;
(9) Date and time the work is to commence;
(10) Name of the person receiving such notice; and
(11) Name of the notification system;
(d) Assign a unique serial number to each incoming notice from
excavators and provide the number to the excavator;
(e) Give persons providing notice of an intent to engage in an
excavation or demolition activity the names of member operators of
underground facilities to whom the notice will be transmitted;
(f) Furnish a copy of such notice record to the excavator, upon his or
her request. The mailing of such copies of the notice record shall be
construed to be in compliance with this Part; and
(g) Keep on file a copy of each such notice record for a period of at
least four years from the date of such notice.

753-5.3 System duties. Each one-call notification system shall perform
the following duties:
(b) Conduct a continuing program to:
(1) Inform excavators of the one-call notification system's existence
and purpose and their responsibility to notify the one-call notification
system of planned excavation and demolition and to protect underground
facilities; and
(2) Inform operators of the responsibility to participate in the
one-call notification system, to respond to a notice relating to a
planned excavation and demolition and to designate and mark facilities
according to the provisions of this Part.
(c) Provide a means by which contact information provided by the
member operators can be obtained for the purpose of learning the
location of underground facilities for design purposes.
(d) Provide an Automated Positive Response (APR) system for mandatory
use by excavators and member operators, where determined by the one-call
notification system to be technologically and economically practical.

SEC. 753-6.1 Scope
753-6.2 Field citations
753-6.3 Warning letters
753-6.4 Notice of probable violation
753-6.5 Respondent's options
753-6.6 Commission proceeding
Section 753-6.1 Scope.
This Subpart describes the enforcement authority and sanctions of the Public Service Commission for achieving and maintaining compliance with 16 NYCRR Part 753. It also describes the procedures governing the exercise of that authority and the imposition of those sanctions.

Section 753-6.2 Field citations.
Upon determining that a probable violation of a provision of Part 753 has occurred, the Department may issue a field citation to a Respondent, identifying specific provisions alleged to have been violated.

Section 753-6.3 Warning letters.
Upon determining that a probable violation(s) of a provision of Part 753 has occurred or is continuing, the Department may issue a warning letter notifying the Respondent of the probable violation and advising him or her to correct it, if it is correctable, and to comply henceforth, or be subject to enforcement procedures under this Part.

Section 753-6.4 Notice of probable violation.
(a) If the Department has reason to believe that a violation of Part 753 has occurred or is continuing, the Department may commence an enforcement proceeding by issuing a Notice of Probable Violation (NOPV).

(b) The NOPV shall include:
(1) A listing of the regulations which the Respondent is alleged to have violated, a description of the evidence on which the allegations are based and a copy of the field citation(s), if applicable;
(2) Notice of the response options available to the Respondent under Section 753-6.5 of this Subpart;
(3) If a penalty is proposed, the amount of the proposed penalty and the maximum penalty for which the Respondent may be liable; and
(4) A proposed Consent Order pursuant to Section 753-6.7 of this Subpart.

(c) A NOPV may be amended at any time prior to issuance of a final order. If an amendment includes any new material allegations of fact or proposes an increased administrative penalty, the Respondent shall have another opportunity to respond under Section 753-6.5 of this Subpart.

Section 753-6.5 Respondent's options.
Within 30 days after issuance of a NOPV the Respondent shall respond in one of the following ways:
(a) Sign the Consent Order and return it with payment of any proposed penalty;
(b) Submit a written explanation, information or other material in response to the allegations; or
(c) Request an informal conference with Department Staff.
(d) Failure of the Respondent to respond in accordance with subdivision (a), (b) or (c) shall constitute a waiver of its right to contest the allegations in the NOPV and authorizes the Commission, without further notice to the Respondent, to find facts to be as alleged in the NOPV and to issue a final order under Section 753-6.8 of this Part.
753-6.6 Commission proceeding.

(a) If the Respondent requests an informal conference, such conference will be conducted by Department Staff. The Respondent shall have the right to be represented by an attorney or other person, and shall have the right to present relevant evidence. Any evidence that Department Staff may have which indicates that the Respondent may have violated Part 753 shall be made available to the Respondent, who shall have the opportunity to rebut this evidence, either at the informal conference, in writing within thirty days following the conference, or by other mutually agreed to arrangements.

(b) Following its review of any material submitted in writing or at an informal conference, the Department will compile a case file, which will be the basis for a final order. The case file of an enforcement proceeding shall include:

(1) The field citations, inspection reports and any other evidence of alleged violations;
(2) A copy of the NOPV issued under Section 753-6.4 of this Subpart;
(3) Any material submitted by the Respondent in response to the NOPV or at an informal conference; and
(4) A written evaluation and recommendation for a final order.

753-6.7 Consent Orders.

(a) Notwithstanding any other provision to the contrary, the Commission may at any time resolve an outstanding NOPV with a consent order. A consent order must be signed by the Respondent to whom it is issued, or a duly authorized representative, and must indicate agreement with the terms thereof. A consent order need not constitute an admission that the Respondent committed the violation.

(b) A consent order is a final order of the Commission having the same force and effect as a final order issued pursuant to Section 753-6.8 of this Subpart.

(c) A consent order shall not be appealable and shall include an express waiver of appeal or judicial review rights that might otherwise attach to a final order of the Commission.

753-6.8 Final Order.

Based on the review of a case file and upon considering the nature, circumstances and gravity of the violation, history of prior violations, effect on public health, safety or welfare and such other matters as may be required, the Commission will issue a final order that includes:

(a) A statement of findings and determinations on all material issues;
(b) If a penalty is assessed, the amount of the penalty and the procedures for payment of the penalty.

753-6.9 Payment of penalties.

(a) Payment of a penalty under this subpart must be made by certified check or money order payable to the "Department of Public Service" and sent to the Secretary of the Commission, Three Empire State Plaza, Albany, N.Y. 12223-1350.

(b) If a Respondent fails to pay the full amount of a penalty assessed in a final order within thirty days after receipt of the final order, the Commission may refer the case to the Attorney General with a request
that an action to collect the assessed penalty be brought in any court of competent jurisdiction.

General

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PART 890
CUSTOMER SERVICE AND CONSUMER PROTECTION STANDARDS
(Statutory authority: Public Service Law § 224-a)

Sec.

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890.93 Negative option promotional practices

Every cable television company shall comply with the customer service and consumer protection standards set forth in this Part. Additional standards not inconsistent with federal and State law may be established by municipal franchising authorities by a franchise agreement or by the exercise of its police powers consistent with section 895.1(1) of this subtitle.

(a) Basic channel shall mean any channel which is provided as part of the basic service tier.

(b) Billing dispute shall mean a disagreement between a subscriber and a cable television company concerning:

(1) credits for payments made by the subscriber to the cable television company;

(2) credit or refund for service outage;
(3) errors in billing amount; or
(4) assessment of late charges.

(c) Home wiring shall mean the internal wiring contained within premises of a subscriber which does not include any active elements such as amplifiers, converters or decoder boxes or remote control units.

(d) Collection charge shall mean a fee or charge imposed upon a subscriber by a cable television company for its efforts at collecting or attempting to collect a past due account by personal visit at a subscriber's home or place of business.

(e) Commission shall mean the New York State Public Service Commission.

(f) Downgrade charge shall mean a charge imposed upon a subscriber for implementing a request by the subscriber for a change in service to a less expensive tier than the tier currently subscribed to.

(g) Late charge shall mean a charge which is added to a cable television subscriber's account or bill for nonpayment of a previously due account.

(h) Local office shall mean the business office of the cable television company serving the municipality in which a billing dispute arises.

(i) Normal business hours shall mean those hours during which most similar businesses in the community are open to serve customers. In all cases, normal business hours must include some evening hours at least one night per week and/or some weekend hours.

(j) Normal operating conditions shall mean those service conditions which are within the control of a cable television company. Those conditions which are not within the control of a cable company include, but are not limited to, natural disasters, civil disturbances, power outages, telephone network outages, and severe or unusual weather conditions. Those conditions which are ordinarily within the control of a cable television company include, but are not limited to, special promotions, pay-per-view events, rate increases, regular peak or seasonal demand periods, channel and/or service alterations, and maintenance or upgrade of the cable system.

(k) Service call shall mean any work at a subscriber's premises which requires the presence of a cable television company representative and the subscriber, including but not limited to, installations and reconnections.

(l) Service interruption shall mean the loss of picture or sound of one or more cable channels.

(m) Service outage shall mean a loss of picture or sound on all basic channels or on all channels provided on any other service tier or on one or more premium channels occurring during normal operating conditions which is not caused by the subscriber's television receiver or the subscriber.

(n) Small cable television system shall mean any cable television system with fewer than 1,000 subscribers.

(o) Subscriber complaint shall mean a notice to the commission from a cable television subscriber, whether in writing, by telephone or electronic mail, concerning an unresolved billing service or other service related matter affecting the complaining subscriber directly.

890.62 Billing practices; billing period.

(a) (1) Every cable television company shall adopt billing practices
in compliance with sections 890.61 through 890.66 of this Part and shall provide notice to subscribers in accordance with section 890.80(e) of this Part.

(2) Every cable television company:

(i) shall file copies of its billing practices and payment requirements with the commission; and

(ii) shall maintain copies thereof on file in its local office for public inspection for a period of two years.

(b) Billing practices may include the opportunity for advance billing.

(c) Billing practices shall provide that a subscriber, upon request, shall be given the option of paying monthly. Use of coupon books for the remittance of monthly payments shall satisfy the monthly payment option request. If such coupon books are used by a cable television company, no other bills for service are required to be sent to subscribers.

890.63 Bill format, late charges, collection charges, reconnect charges and downgrade charges.

(a) Each subscriber bill shall be clear, concise and understandable and shall:

(1) (i) include the name, address and telephone number of the cable television company; and

(ii) the toll free subscriber assistance telephone number of the commission identified as "Unresolved Inquiries, NYS Public Service Commission" or otherwise as may be approved by the commission upon specific request by a cable company;

(2) itemize each category of service including, but not limited to, basic service, cable programming services, per channel premium services, and pay-per-view programming, and each piece of equipment for which a charge is imposed;

(3) state the billing period and clearly delineate all activity during the billing period, including but not limited to, the amount of current billing and appropriate credits or rebates, optional charges, late charges and past due balances, if any.

(b) Each subscriber bill shall specify a minimum time for payment which shall not be less than 15 days from mailing of the bill.

(c) Any late charge permitted by law or by the franchise, if imposed upon the subscriber, shall be itemized on the subscriber's bill, or notice of delinquent payment in cases where coupon books are used.

(d) If a late charge is to be imposed, it shall not be imposed sooner than 45 days after the mailing of the bill to the subscriber or the due date, if coupons are used.

(e) No cable television company shall impose a collection charge upon any subscriber, except as prescribed in subdivision 890.66(e) of this Part.

(f) No cable television company shall impose a charge for the reconnection of service, the amount of which is based solely upon a consideration of whether the subscriber was previously in arrears for an amount due said company.

(g) A cable television company may impose a downgrade charge upon the conditions and in the circumstances as follows:

(1) subscribers have been notified of such charge in writing in at least 10 point type;

(2) the charge does not exceed the amount permitted under applicable State or Federal law or regulation; and
(3) the downgrade was not requested by a subscriber affected by a significant programming change or a network change which included a retiering of service or a rate change within 30 days of the receipt by the subscriber of:

(i) a notice required by section 890.80(b)(4) and (c)(4) of this Part; or

(ii) a notice of retiering or rate change as required by section 890.80(a) of this Part.

890.64 Billing disputes, auxiliary equipment, credits, and refunds.

(a) Every cable television company shall establish procedures for the prompt investigation of any billing dispute. The procedures shall provide for a period of at least 30 days from the date of receipt of the bill for the subscriber to file a timely complaint. The procedures shall provide that the subscriber remit the undisputed portion of the bill in question pending resolution of the portion in dispute and that the subscriber shall be responsible for paying the undisputed portion of current and future bills.

(b) Cable television service shall not be discontinued due solely to nonpayment of the portion in dispute during the period allowed herein for investigation of a billing dispute.

(c) If the billing dispute is not resolved within 30 days of the date it is received by the company, the subscriber may refer the matter to the commission in accordance with the provisions of section 890.70 of this Part. If referral is not made within 30 days, the company may commence its disconnection procedures in accordance with section 890.66 of this Part.

(d) The cable television company shall retain all billing complaint records for at least one year.

(e) When a cable television company supplies auxiliary equipment such as a converter or other modifying device to a subscriber the company can expect reasonable care of such equipment by the subscriber. A cable television company shall notify the subscriber and the commission in writing of any charges to subscribers for lost, stolen or damaged converters. In the event such equipment is lost, stolen or damaged, and the cable television company seeks to charge the subscriber for such equipment, the company shall give written, dated notice to the subscriber of the amount sought to be collected from the subscriber and the subscriber's opportunity to refer the matter to the commission in accordance with the provisions of section 890.70 of this Part.

(f) Refund checks will be issued promptly but no later than:

(1) the subscriber's next billing cycle following a determination that a refund is warranted or 30 days after such determination, whichever is earlier; or

(2) the subscriber's next billing cycle after the return of equipment supplied by the cable company if service is terminated or 30 days after the return of the equipment, whichever is earlier.

(g) Credits for service will be issued not later than the subscriber's next billing cycle following a determination that a credit is warranted.

890.65 Credit for service outage.

(a) Every cable television company shall provide credit to subscribers affected by any service outage in excess of four continuous hours in accordance with subdivisions (b) and (c) of this section. The four-hour
period shall commence at the time the cable television company first becomes aware of the service outage.

(b) Whenever a cable television company may reasonably determine the existence and scope of a service outage as, for example, a service outage caused by a major failure in the system's headend or distribution electronic equipment, which service outage exceeds four continuous hours and some part of which occurs during the hours 6:00 p.m. to 12:00 a.m., the cable television company shall automatically credit the account of each affected subscriber.

(c) In the event a cable television company cannot determine all subscribers affected by a service outage in excess of four continuous hours or no part of such outage occurs during the hours of 6:00 p.m. to 12:00 a.m., credit shall be given to any eligible subscriber who makes application therefor by either written or oral notice within 90 days of such service outage.

(d) The minimum credit for a service outage shall be equal to one thirtieth times the applicable monthly charge for each 24-hour period during which a service outage continues for at least four hours.

(e) A cable television company shall be responsible for every service outage except for interruption of programming to provide emergency information to the public using the Emergency Alert System as defined in section 896.5.

890.66 Discontinuance of service for nonpayment.

(a) A cable television subscriber shall not be considered delinquent in payment until at least 45 days have elapsed from the mailing of the bill to the subscriber or from the due date, if coupons are used, and payment has not been received by the cable television company.

(b) No cable television company shall physically or electronically disconnect service for nonpayment of bills rendered for service until:

1. the subscriber is delinquent in payment for cable television service; and
2. at least five days have elapsed after a separate written notice of impending discontinuance has been served personally upon a subscriber; or
3. at least eight days have elapsed after mailing to the subscriber a separate written notice of impending discontinuance (for which postage has been paid by the cable television company), addressed to such person at the premises where the subscriber requests billing; or
4. at least five days have elapsed after a subscriber has either signed for or refused a certified letter (for which postage has been paid by the cable television company), containing a separate written notice of impending discontinuance addressed to such person at the premises where the subscriber requests billing.

(c) Notice of service discontinuance shall clearly state the amount in arrears, the total amount requested to be paid to avoid discontinuance of service, reconnection charges, if applicable, and the manner and date by which, and the place where, such payment must be made.

(d) No cable television company shall disconnect service for nonpayment on a Sunday, public holiday or a day when the local office of the company is not open for business without providing an opportunity for the subscriber to pay the amount in arrears on such date.

(e) When a cable television company representative is at a subscriber's residence or place of business to disconnect service and
the subscriber at that time, pays the amount in arrears in lieu of
disconnection, the company may add a reasonable collection charge to the
subscriber's bill provided all other applicable provisions of this
section have been followed.

(f) Receipt of a subsequently dishonored negotiable instrument in
response to a notice of discontinuance shall not constitute payment, and
no cable television company shall be required to provide additional
notice prior to discontinuance.

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890.70 Subscribers' complaints; procedure.
(a) A subscriber complaint will be processed by the commission after
the subscriber has first attempted to resolve the particular matter with
the cable television company. The procedure with respect to such
complaints shall be as follows:

(1) A copy of the complaint together with a written notice requesting
a statement concerning the matter described therein shall be served on
the cable television company. Within 10 days, or such other period as
may be specified in the notice, the cable television company shall
submit a written response to the commission and shall serve a copy of
said response on the complainant. The response must contain a statement
of the action that has been taken to resolve the complaint and/or to
preclude any recurrence of the matter complained of. If the subject of
the complaint is the failure of the company to provide cable television
service to a potential subscriber who has requested service, the
commission may require the cable television company to provide, in
addition to the information required by this paragraph, a map of the
franchised area indicating information requested by the commission.

(2) Complaints received by the commission by telephone shall be
recorded and kept on file. Where the nature of a telephone complaint
warrants, the commission may request written information from the
complainant. In such cases, the commission shall follow the procedure
specified in paragraph (1) of this subdivision.

(3) Where numerous complaints are made, concerning a particular cable
television company or where it appears that complaints have not been
satisfactorily resolved by a particular company, the commission may make
further inquiry of said company, which may be formal or informal, and
which may include a hearing or oral argument, or both.

(b) Every cable television company shall adopt and file with the
commission, in writing, its procedures for reporting and the resolution
of subscriber complaints, which procedures may be in such form and
contain such provisions as the company deems necessary, provided they
are not in conflict with any procedures, rules or regulations of the
commission. Every cable television company shall provide notice to
subscribers of such procedures in accordance with section 890.80(f) of
this Part.

(c) (1) The commission may delegate by written notice to any of its
officers or employees authority pursuant to this section to investigate,
hear and resolve subscriber complaints concerning disputed bills,
charges, deposits, service problems and other subscriber-related
problems. Such authority shall include the authority to conduct informal
hearings. Except in the instance of an appeal by any party, disposition
of unresolved complaints will be determined by such officers or
employees of the commission as the commission designates to act in its
place. In exercising this function, the designated officers or employees
may obtain the information required to make a determination by
conversation with the complainant or his or her representative, by
telephone or in person, supplemented where appropriate by written
materials from the complainant, reports or documents from the cable
television company (including such data as may be required by the staff
at the request of the complainant or on its own initiative); through
written complaints similarly supplemented; or through a conference
conducted by the designated officer or employee at which the
complainant, accompanied and assisted by such friend, advisor or
attorney as he or she desires, and company representatives are present.
Officers or employees designated to consider complaints will afford both
the complainant and the cable television company a fair and reasonable
opportunity to present evidence pertinent to the complaint and to
challenge evidence submitted by the other party to the dispute. The
complainant or cable television company complained of may obtain a
determination, including a statement of the reason for the conclusion.
The party adversely affected by the determination of the officer or
employee designated to consider the complaint may appeal to the
commission. Any such appeal shall be in writing filed with the
commission within 20 days of receiving notice of the determination and
shall set forth the specific basis for claiming error.

(2) After receipt of the response to a complaint, and where the
procedures described in paragraph (1) of this subdivision are not
applicable or cannot reasonably resolve the issues raised by a
complaint, the commission, on its own initiative, the recommendation of
staff or the request of the complainant or cable television company, may
hold a hearing upon reasonable advance notice to all interested parties.

(3) Pending resolution of a complaint, the commission may require
appropriate interim relief to either party. In the case of complaints
regarding bills or deposits, the commission, without hearing or formal
order, may, and in the absence of unusual circumstances shall, preclude
discontinuance of service or the issuance of any notice of
 discontinuance during the commission's investigation of such complaint,
upon such terms and conditions as it deems appropriate.

890.80 Subscriber notices.
(a) Rates programming services and channel positions.
(1) Notice required. Every cable television company shall provide
notice to subscribers of:
(i) products and services;
(ii) prices and options for programming services and other services
and conditions of subscription to programming and other services; and
(iii) the channel positions of programming carried on the system.
(2) Form and content of notice.
(i) Notice shall be provided:
(a) to new subscribers at the time of installation;
(b) to any subscriber who requests a change in service;
(c) to all subscribers at least semi-annually; provided, however, that
any cable television company that bills subscribers only by coupon book
and does not provide regular mailings to subscribers at least quarterly
may provide such notice to subscribers on an annual basis; and
(d) to any person who requests such information.
(ii) Notice shall be in writing and:
(a) shall be provided immediately where a request is made in person;
or

(b) shall be provided by first class mail sent within 10 business days of the date of any request made by telephone or in writing.

(iii) The notice shall contain a description, materially accurate as of the first day of the previous month, of all service tiers and the networks provided thereon and the rates and charges therefore and other services or products offered to subscribers and the rates and charges for such other services and products. The notice shall also include a statement of significant rights accorded to the subscribers pursuant to section 224-a of the Public Service Law and the regulations promulgated by the commission. Such statement shall be in a form as approved by the commission. In addition, notice to new subscribers shall include a copy of any notice which has been sent to current subscribers pursuant to subdivisions (a) - (c) of this section within the previous 60 days.

(3) Changes.
(i) Every cable television company shall provide notice to subscribers of any changes in rates, programming services or channel positions as soon as possible through announcement on the cable system and in writing. Notice of any increase in the rates for the basic service tier or associated equipment must be provided to subscribers at least 30 days in advance. Notice of other such changes must be given to subscribers 30 days in advance if such change is within the control of the cable television company. For purposes of this paragraph announcement on the cable system shall mean a written, on-screen message on the affected channel(s), or program listing channel, or such other channel, as may be used for the dissemination of written messages to subscribers.

(ii) If a change in programming services or channel positions constitutes either a significant programming change as defined in subdivision (b) of this section or a network change as defined in subdivision (c) of this section, the cable television company shall also provide the notice as described in such subdivision.

(b) Significant programming change.
(1) Definitions. For purposes of this section:
(i) a significant programming change shall mean the removal or alteration of recurring programming which materially changes the quality or level of programming on a network; provided, however, such terms shall not include deletions of programs mandated by the regulations of the Federal Communications Commission, nor shall it include deletions of programs that are distributed by the cable television company in lieu of such programs deleted pursuant to such regulations of the Federal Communications Commission;
(ii) a network shall mean a group of programs distributed, packaged, promoted or sold to subscribers as the offering of a single entity, including but not limited to, a channel or station; and
(iii) service tier shall mean a category of cable television services or other services provided by a cable television company and for which a rate or fee is charged by the cable television company, including, but not limited to, basic services, premium networks or services, recurring pay-per-view services and other categories of cable services for which there are additional charges.

(2) Notice required. Every cable television company shall provide notice of a significant programming change to the commission and to subscribers affected thereby.

(3) Notice to commission. Notice shall be provided to the commission
no later than the later occurring of 45 days prior to the effective date of the change or within five business days of the date upon which the cable television company first knows of such change. The notice shall specify the recurring programming affected by the change, whether such recurring programming was, or will be, distributed as part of basic service tier or some other service tier immediately prior to the change and the effective date of the change.

(4) Notice to subscribers. Notice shall be provided to subscribers who are receiving services affected by such change in writing no later than the later occurring of 30 days prior to the effective date of such change or within 30 days of the date upon which the cable television company first knows of such change and by written on-screen visual message prominently displayed on the affected television program channel or channels, and on the program listing channel of the cable television system, if one is provided; at least once each hour for no less than a 30 day period.

(5) Form and content of notice to subscribers. Notice shall be directed to each affected subscriber as follows:

(i) by the mailing of a separate written notice to the subscriber's billing address of record; or
(ii) by a written notation printed on the subscriber's regular billing statement; or
(iii) by a written notice accompanying the subscriber's regular billing statement. Such notice shall specify the recurring programming affected by the change and the effective date of the change. Such notice shall also inform subscribers of the opportunity to downgrade or terminate service within 30 days of the receipt of the notice without charge for such termination or downgrade if the programming change includes a retiering of service or rate increase.

(c) Network change.

(1) Definitions. For purposes of this subdivision:

(i) a network change shall mean the removal of a network from a service tier whether or not added to another tier or a substantial alteration of the character of a network by a cable television company or an affiliate it controls except that a network change shall not include the removal of a network from a service tier within 31 days of the date upon which such network was added to such service tier for promotional purposes, where such promotion was clearly disclosed to subscribers;

(ii) the character of a network shall be determined by reference to the nature, mix and quantity of programming provided on the network and whether such programming is supported by commercial sponsorship or other means. The character of a network which contains a uniform programming format, e.g., an all-shopping channel, an all-weather channel, an all-sports channel, etc., shall be considered distinct from the character of a network which includes various categories of programming. The character of a network shall also include consideration of whether a network provides programming 24 hours per day or some lesser period of time; and

(iii) promotes repeatedly and in a significant manner shall mean a promotion of the availability of a particular network on basic cable service which is designed to encourage the public to subscribe to basic cable service to receive such network and which is conducted by use of multiple media or by the multiple use of a single medium.
(2) Notice required. Every cable television company shall provide notice of a network change to the commission and to the subscribers affected thereby.

(3) Notice to commission. Notice shall be provided to the commission no later than the later occurring of 45 days prior to the effective date of the change or within five business days of the date upon which the cable television company first knows of such change. Notice shall specify the network affected by the change, whether such network was, or will be, distributed as part of the basic cable service or some other service tier immediately prior to the change and the effective date of the change. If the network change relates to the basic service tier, the notice to the commission shall also state whether said network has been repeatedly promoted by the cable television company as available on its basic cable service during the six months immediately preceding the date of the change and, if the network has been so promoted during such period of time, the notice shall also include the specific date upon which such promotion was concluded and the number of subscribers who commenced their subscription to basic cable service during the 90 days immediately before and after the last day of promotion. If the network change relates to a network that is being deleted from basic cable service and will not be available on any other service tier, the notice shall state whether said network continues to be reasonably available to the cable television company. For purposes of this paragraph the term continues to be reasonably available to the cable television company shall mean a network, including a broadcast television station, that has been lawfully distributed by the cable television company to its subscribers as part of its basic cable service and without a substantial alteration of the character of the network remains available to the cable television company on the same terms and conditions as before or remains available to the cable television company pursuant to terms and conditions as previously agreed. A network shall also be considered to continue to be reasonably available to a cable television company when, notwithstanding a modification of the terms and conditions under which it may be distributed or a change in the character of the network, the commission so determines in writing based upon consideration of:

(i) whether the cable television company is required to offer commercial leased access and the terms and conditions of such leased access, if any;

(ii) the character of the network relative to the character of other networks distributed on the system and the manner of distribution of such other networks;

(iii) the terms and conditions pursuant to which the network is available to the cable television company relative to the terms and conditions applicable to the distribution by the cable television company of other networks as part of basic cable television service;

(iv) the extent to which the network is currently being distributed by other cable television companies in the State as part of basic cable television service on terms and conditions similar to the terms and conditions at issue; and

(v) the extent to which the cable television company may have an ownership interest in any network distributed on the system which is similar in character to the terminated network.

(4) Notice to subscribers. Every cable television company shall provide notice of a network change to each subscriber affected thereby.
Such notice shall be provided to subscribers who are receiving services affected by any such change in writing no later than the later occurring of 30 days prior to the effective date of any change or within 30 days of the date upon which the cable television company first knows of such change and by written on-screen visual message prominently displayed on the affected television programming channel or channels, and on the program listing channel of the cable television system, if one is provided, at least once each hour for no less than a 30 day period.

(5) Form and content of notice to subscribers. Notice shall be directed to each affected subscriber as follows:

(i) by the mailing of a separate written notice to the subscriber's billing address of record; or
(ii) by a written notation printed on the subscriber's regular billing statement; or
(iii) by a written notice accompanying the subscriber's regular billing statement. Such notice shall specify the network affected by the change and the effective date of the change and shall inform subscribers of the opportunity to downgrade or terminate service within thirty (30) days of the receipt of the notice without any charge for such termination or downgrade if the network change includes a retiering of service or rate increase.

(6) Additional provisions for network change affecting a premium service tier. If the notice describes a network change that affects a network that was being distributed as part of a premium service tier immediately prior to the change such notice shall also inform subscribers who have incurred installation, upgrade or other one-time charges relating to such premium service tier within six months prior to the effective date of the change, or who have prepaid any monthly service charges for said premium service tier, that they may elect to downgrade or terminate service within 30 days of the receipt of such notice and obtain a rebate of any such charges.

(7) Additional provisions for network change affecting basic cable service. If the notice describes a network change which affects a network that was being distributed as part of basic cable service immediately prior to the change, and the network was repeatedly promoted by the cable television company and in a significant manner as available as part of basic cable service at any time during the six months immediately preceding the date of the change, such notice, or a second notice given in the same manner as the first notice within 30 days of the first notice, shall contain additional information as follows:

(i) Removal of network to premium tier. If a network is moved from basic cable service to a more expensive tier, such notice shall inform subscribers who commenced their subscriptions to basic cable service during the 90-day period immediately before or after the last day of the promotion, of the opportunity, within thirty days of receipt of the notice either:

(a) to upgrade to the more expensive service tier which includes the network at no charge and to receive said service tier for up to six months also at no charge; or
(b) to terminate service and receive a refund of all installation, upgrade or other one-time charges paid during the six months prior to the change.

(ii) Removal of network from system. If a network:

(a) is deleted from basic cable service;
(b) was a substantial inducement to a significant number of subscribers; and

(c) continues to be reasonably available to the cable television company, such notice shall inform subscribers who commenced their subscriptions to basic cable service during the 90-day period immediately before or after the last day of the promotion, of the opportunity, within 30 days of receipt of the notice, either:

(1) to terminate service and receive a refund of all installation, upgrade or other one-time charges paid during the six months prior to the change; or

(2) to continue service and receive a credit in the amount specified in the notice which credit shall be for a portion of the monthly rate for basic cable service for each month or portion thereof the network is not available on the system during the six month period commencing with the last day of the promotion; or

(3) to continue service and petition the commission for determination of the amount of an appropriate credit for a portion of the monthly rate for basic cable service for each month or portion thereof the network is not available on the system during the six month period commencing with the last day of the promotion.

(8) A cable television company shall maintain copies of all advertisements, lists or other notifications regarding programming sent to or made available to the public. For purposes of this subdivision, advertisements, lists or other notification shall mean any commercial messages which a cable television company originates and causes to be disseminated to the public or its subscribers by means of radio, television or print, or pursuant to a printed directive, which relate to the service tiers, networks or programming offered by said company to its subscribers and the rates and charges therefor, except that such terms shall not include any commercial message concerning a network or programming which originates with the network or programmer independent of the cable television company.

(d) Pay-per-view programming. Subdivisions (a) - (c) shall not apply to pay-per-view programming.

(e) Billing practices.

(1) Every cable television company shall provide notice to subscribers of its billing practices and payment requirements including the use of payment coupons. The notice shall describe or define, at a minimum, billing procedures (including payment requirements to avoid discontinuance of service, e.g. payment due dates), late charges, downgrade charges, advance billing options, if any, procedures to be followed in billing disputes and credit to be given for service outages.

(2) Notice shall be in the form of a separate written notice and shall be provided:

(i) to new subscribers, at the time of initial subscription or reconnection;

(ii) to all subscribers annually; and

(iii) to all subscribers at least 30 days in advance of any significant change in such billing practices or payment requirements; and

(iv) to any subscriber upon request.

(f) Complaint procedures.

(1) Every cable television company shall provide notice to subscribers of its complaint procedures.
(2) Notice shall be in writing and shall be provided:
   (i) to new subscribers at the time of initial subscription or reconnection to the cable television system;
   (ii) to all subscribers annually; and
   (iii) to all subscribers at least 30 days in advance of any significant change in such complaint procedures; and
   (iv) to subscribers at any time upon request. The notice shall inform the subscriber that any unresolved complaint with the company may be referred to the commission pursuant to section 890.70 (a). Such notice shall also contain the address and toll free subscriber assistance telephone number of the commission.

(g) Installation, use and maintenance of cable service.
   (1) Every cable television company shall provide notice to subscribers of its installation and service maintenance policies, instructions on how to use cable services with company provided or subscriber owned equipment, and a description of any incompatibility problems and the means of resolving such problems. Notice shall be in writing and shall be provided to new subscribers at the time of installation:
      (i) to any person upon request;
      (ii) to all subscribers annually; and
      (iii) to all subscribers at least thirty 30 days in advance of any significant changes in such information; and
      (iv) to subscribers at any time upon request.

(h) Lost, stolen or damaged equipment. A cable television company shall provide notice to subscribers of any charges for lost, stolen or damaged equipment in accordance with section 890.64(f) of this Part.

(i) Disconnection of service. Every cable television company shall provide separate written notice of service discontinuance in accordance with section 890.66 of this Part.

(j) Removal of home wiring.
   (1) Every cable television company shall provide notice to subscribers of the opportunity to acquire home wiring upon termination of service if the company seeks to remove such wiring.
   (2) Notice shall be in writing and shall be provided to subscribers at least seven days prior to the earliest date such home wiring would be removed.

890.90 Telephone availability and answer standards; customer service centers.
   (a) Every cable television company shall maintain a local, toll-free or collect call telephone access line which will be available to its subscribers 24 hours a day, seven days a week, provided that after normal business hours, the access line may be answered by an answering service or an automated response system, including an answering machine. Inquiries received after normal business hours must be responded to by a trained company representative on the next business day. Trained company representatives must be available to respond to callers during normal business hours.
   (b) Every cable television system, except a small cable television system, under normal operating conditions, shall meet the following telephone answer standards no less than 90 percent of the time, measured on a quarterly basis:
      (1) telephone answer time by trained company representatives, including wait-time, shall not exceed 30 seconds from when the
(a) Whenever a service call is not started within the scheduled appointment window, as established pursuant to paragraph (3) of subdivision (b) of this section, the subscriber shall not be charged for such service call, including any installation or reconnection scheduled to be performed, unless the service call was rescheduled with the subscriber's consent before the close of business on the business day prior to the day of the scheduled appointment window.

(b) All cable television systems under normal operating conditions, shall meet no less than 95 percent of the time, measured on a quarterly basis, the following service standards:

(1) standard installations of up to 150 feet from existing aerial distribution plant shall be performed within seven business days after an order is placed unless a subscriber requests a particular date beyond seven business days;

(2) excluding conditions beyond control of the cable company, a cable television system will:
(i) begin working on service interruptions promptly and in no event later than 24 hours after the interruption becomes known; and

(ii) begin actions to correct other service problems the next business day after notification of the service problem or trouble call;

(3) the appointment window alternatives for service calls will be either:

(i) a specific time;

(ii) morning or afternoon hours;

(iii) a four-hour block of time during normal business hours;

(iv) evenings or Saturdays during normal business hours; or

(v) at the option of the cable television company a specific time or block of time outside of normal business hours for the express convenience of the customer; and

(4) if a cable company representative is likely to be late for an appointment with a customer and will not be able to keep the appointment as scheduled, the customer will be contacted. The appointment will be rescheduled, as soon as possible, at a time which is convenient for the customer consistent with paragraphs (1) and (2) of this subdivision.

(c) Information to demonstrate compliance regarding the service standards contained in subdivision (b) of this section, measured on a quarterly basis, shall be reported to the commission and shall at a minimum include:

(1) number of requests for standard installations and the number of such installations actually performed within 7 business days;

(2) number of service interruptions and number of service interruptions responded to within and after 24 hours after notification;

(3) number of service calls to subscribers' residences and the number of such calls completed within the appointment window;

(4) number of installations or service calls rescheduled; and

(5) number of credits issued for missed service calls to subscribers' premises or such other information that will document compliance with such standards.

(d) Service reports shall be filed annually with the commission on or before January 31st of each year for the previous calendar year. Cable systems that routinely meet or exceed the requirements of subdivisions (a) and (b) of this section may petition the commission for a waiver of the report requirements of this section. This waiver does not excuse a cable company from maintaining service records on a quarterly basis, which are subject to review by the Commission.

(e) Provisions of subdivision (a), paragraphs (3) and (4) of subdivision (b) and subdivisions (c) and (d) of this section shall not be applicable to small cable television systems.

(f) Reports of service or trouble calls by cable television systems shall be made available, upon request, and for a period not to exceed 90 days from such service or trouble call as follows:

(1) For each trouble call reported by a single subscriber, the cable television system shall identify:

(i) the subscriber;

(ii) the date and approximate time the trouble call was received;

(iii) the date and approximate time of the response to the trouble call;

(iv) the corrective steps taken (if any required);

(v) the date the trouble call is closed; and

(vi) identification of the technician or repair person.
(2) A report on each service outage shall include the following data:
(i) brief description of the area affected sufficient to allow the later determination of the approximate number of subscribers affected;
(ii) date and approximate time of failure;
(iii) cause of failure; and
(iv) date and time service was restored.

890.92 Removal of home wiring.
Upon voluntary termination of cable service by a subscriber, a cable television company shall not remove cable home wiring in which it claims ownership unless it gives the subscriber the opportunity to acquire the wiring at the replacement cost, and the subscriber declines. The cost is to be determined based on the replacement cost per foot of the home wiring multiplied by the length in feet of such wiring. If the subscriber declines to acquire the cable home wiring, the cable television company must then remove it within seven days or make no subsequent attempt to remove it or to restrict its use. Every cable television company shall provide notice to subscribers of the provisions of this section in accordance with section 890.80(j) of this Part.

890.93 "Negative option" promotional practices.
(a) No cable television company may bill any subscriber for any service not affirmatively requested by the subscriber.

(b) For purposes of this section, a subscriber's affirmative request need not be in writing, but any cable television company relying on an oral affirmative request shall keep records of the date on which, and the employee to whom, the request was made.

(c) For purposes of this section, a subscriber shall be deemed to have affirmatively requested service if:
(1) the subscriber voluntarily makes payment for such service after an initial trial period; and
(2) there was included, in the notice or advertising material describing the service, a statement clearly advising the subscriber that no obligation to pay for such service has been incurred and that no action is necessary to avoid incurring any such obligation.

PART 891
RENEWAL PROCEDURES
(Statutory authority: Public Service Law ñ222)

Sec.
891.1 Intent and applicability
891.2 Proposal for renewal of franchise that requires affirmative action by municipality
891.3 Renewals that do not require affirmative action by municipality

Section 891.1 Intent and applicability.
(a) It is the intent of the commission that the rules contained in this Part comply with the provisions of 47 U.S.C. Section 546 relative to franchise renewals. Except as otherwise provided, these rules shall apply to the renewal of every cable television franchise. No renewal of any franchise shall be effective unless it is approved by the commission pursuant to section 222 of the Public Service Law. An application for approval of a renewal shall comply with Part 897 of this subtitle provided, however, that the filing of a timely application pursuant to
Part 897 shall, without further action, extend the applicant's operating rights pending final commission action.

891.2 Proposal for renewal of franchise that requires affirmative action by municipality.

(a) Filing requirement. Except as provided in section 891.3 of this Part, any cable television company lawfully engaged in the operation of a cable television system pursuant to an existing franchise may submit a proposal for renewal of said franchise in accordance with 47 U.S.C. section 546(h) at any time. Title 47 U.S.C. Section 546(h) is available for public inspection and copying at the office of the Department of Public Service, Three Empire State Plaza, Albany, New York 12223 and the New York State Department of State located at 41 State Street, Albany, New York 12207. 47 U.S.C. Section 546(h) is published in the United States Code by the United States Government Printing Office, Superintendent of Documents, Washington, D.C. 20402.

The proposal shall be submitted to the municipality and a copy shall be served on the commission. The proposal shall encompass the minimum standards for franchises as set forth in Part 895 of this chapter. The municipality may, after affording the public adequate notice and opportunity for comment, grant or deny such proposal at any time; provided, however, a municipality may not grant a proposal for renewal except after a public hearing on notice to the public in accordance with state and local laws applicable to public hearings generally, which notice shall also specifically state that the renewal proposal is available for public inspection at the office of the municipal clerk prior to the hearing.

(b) Notwithstanding the provisions of paragraph (a) hereof, and subject to the provisions of paragraph (c), a municipality shall during the six month period which commences with the thirty-sixth month prior to the expiration of an existing franchise, commence a process which affords the public in the franchise area appropriate notice and participation for the purpose of:

(i) identifying the future cable-related community needs and interests, taking into account the costs of meeting such needs and interests; and

(ii) reviewing the performance of the cable television company during the then current franchise term; provided, however, that if during such six month period, the franchisee requests by written renewal notice submitted to the municipality (with a copy to the commission) the commencement of such a process, the municipality may defer the commencement of the process for a period not longer than six months after the date such notice is received from the franchisee. The process shall be completed on or before the first day of the fifteenth month prior to the expiration date of the franchise.

(c) Whenever a municipality grants a renewal proposal submitted by the franchisee pursuant to paragraph (a), the provisions of paragraph (b) shall be of no further effect;

(d) In order to facilitate the renewal of cable television franchises, either party to a renewal negotiation has the right to request the non-binding mediation services of the commission to aid resolution of any disagreements that have become obstacles to renewal. In addition to the foregoing, within six months of the expiration of any franchise, the cable operator shall, upon request, notify the commission staff, orally
or in writing, of the status of franchise renewal negotiations.

891.3 Renewals that do not require affirmative action by municipality.

If an existing franchise contains an option to renew in favor of the franchisee, the franchisee may seek commission approval for a renewal pursuant to said option provided that the option is timely exercised and an application to the commission is made within 30 days thereof. An option to renew may not be exercised by the franchisee sooner than 36 months prior to the expiration of the existing franchise.

PART 892
AMENDMENT PROCEDURES
(Statutory authority: Public Service Law § 222)

Subpart 892-1 Amendments
Subpart 892-2 Reserved
Subpart 892-3 Procedures Applicable to Rate Regulation Pursuant to 47 CFR Sections 76.900 et seq.

SEC. 892-1.1 Applicability

892-1.2 Commencement of amendment process

892-1.3 Public hearing requirements

892-1.4 Commission approval required

Section 892-1.1 Applicability. The rules contained in this Subpart apply to all amendments of cable television franchises; provided, however, that any amendment that would have the effect of extending the duration of a franchise shall be deemed a renewal and shall be subject to the provisions of Part 891 of this Title.

892-1.2 Commencement of amendment process.

Any cable television company or municipality proposing to amend a cable television franchise shall commence the formal amendment process by written notice sent to the other party and to the commission. The notice shall contain the text or set forth the substance of the proposed amendment.

892-1.3 Public hearing requirements.

(a) No cable television franchise may be amended except after a public hearing on notice to the public in accordance with state and local laws applicable to public hearings generally. This provision shall not be deemed to require an additional hearing in those cases in which a hearing is otherwise required by applicable provisions of law.

(b) In addition to satisfying other applicable requirements, the notice of public hearing shall indicate the subject of the proposed amendment and state that a copy of the proposed amendment is available for public inspection at the office of the municipal clerk prior to the hearing. The notice shall also state that the amendment, if approved by the municipality, may not take effect without the prior approval of the commission.

892-1.4 Commission approval required.
No amendment to any cable television franchise shall be effective without the prior approval of the commission upon application in accordance with the provision of section 897.3 of this Title, unless the order shall otherwise provide. The effective date of the amendment shall be the date the commission issued an order.

SUBPART 892-3
PROCEDURES APPLICABLE TO RATE REGULATION PURSUANT TO 47 CFR Sections 76.900 et. seq.

Sec.
892-3.1 Intent and purpose
892-3.2 Definitions
892-3.3 Effective competition
892-3.4 Municipal election
892-3.5 Reversal of election
892-3.6 Procedures
892-3.7 Notice of rate increases
892-3.8 Notification of basic service tier availability
892-3.9 Severability

Section 892-3.1 Intent and purpose.
(a) Section 623 of the Cable Communications Policy Act of 1984, as amended by section 3 of the Cable Television Consumer Protection and Competition Act of 1992, and codified in 47 USC section 543, provides for the regulation by State and local franchising authorities of the rates charged for basic cable service by cable television companies not subject to effective competition. Section 623 has been implemented by rules and regulations adopted by the Federal Communications Commission and published at 47 CFR sections 76.900 et seq. The purpose and intent of this Subpart is to provide rules applicable to the regulation of cable service in the State of New York by municipalities and the commission consistent with the Federal rules and regulations in 47 CFR sections 76.900 et seq.
(b) This subdivision shall apply to all references to the Code of Federal Regulations (CFR) contained herein. The applicable provisions of the CFR are available for public inspection and copying at the offices of the Department of Public Service, Three Empire State Plaza, Albany, New York 12223 and the New York State Department of State located at 41 State Street, Albany, NY 12207. 47 CFR sections 76.900 et seq. were published in the Federal Register, volume 58, No. 97, May 21, 1993 at pp. 29753-29768, together with 47 CFR section 0.459 were published by the United States Government Printing Office, Superintendent of Documents, Washington, DC 20402.

892-3.2 Definitions.
(a) Basic cable service or basic service or basic service tier shall mean the tier of cable service that shall include, as a minimum, all signals of domestic television broadcast stations provided to any subscriber (except a signal secondarily transmitted by satellite carrier beyond the local service area of such station, regardless of how such signal is ultimately received by the cable system), any public, educational and governmental channels required by the franchise or commission rules and may include any additional video programming signals as determined by a cable television company.
(b) Cable programming service shall mean any video programming provided over a cable system, regardless of service tier, including installation or rental of equipment used for the receipt of such video programming, other than:
   (1) video programming carried on the basic service tier as defined in this section; or
   (2) video programming offered on a pay-per-channel or pay-per-program basis; or
   (3) a combination of multiple channels of pay-per-channel or pay-per-program video programming offered on a multiplexed or time-shifted basis so long as the combined service:
      (i) consists of commonly-identified video programming; and
      (ii) is not bundled with any regulated tier of service.
   (c) Commission shall mean the New York State Public Service Commission.
   (d) Equipment or associated equipment shall mean all equipment in a subscriber's home that is used to receive the basic service tier, regardless of whether such equipment is additionally used to receive other tiers of regulated programming service and/or unregulated service, including, but not limited to, converter boxes, remote control units, connections for additional television receivers and other cable home wiring, and the installation or rental thereof.
   (e) FCC shall mean the Federal Communications Commission.
   (f) Participant shall include any person who has submitted written comments or sworn testimony in a ratemaking proceeding. In addition, the commission shall be deemed a participant in any ratemaking proceeding conducted by a municipality and a municipality shall be deemed a participant in any ratemaking proceeding conducted by the commission concerning a cable television company franchised to provide cable service in such municipality. Pursuant to 47 CFR section 76.944(b) (see: section 892-3.1(b)) a participant may file an appeal of a decision of a municipality or the commission with the FCC within 30 days of release of the written decision described in section 892-3.6(f) and (g) of this Subpart.
   (g) Ratemaking proceeding shall mean a proceeding for the review of rates for basic cable service and associated equipment conducted by the commission or a municipality after certification pursuant to 47 CFR section 76.910 and after the written notice described in 47 CFR section 76.910(e)(2) has been served upon a cable television company.
   (h) Relevant franchising authority shall mean both the municipality in which the cable television company provides cable service and the commission.

. SO DOC 16C-892-3.3
NYCRR

892-3.3 Effective competition.
Only the rates for basic cable service of a cable television system that is not subject to effective competition as defined in 47 CFR section 76.905 may be regulated by a municipality or the commission. In the absence of a demonstration to the contrary, cable systems are presumed not to be subject to effective competition.

. SO DOC 16C-892-3.4
NYCRR

892-3.4 Municipal election.
(a) A municipality shall determine whether the rates charged for basic cable service and associated equipment by one or more cable television companies franchised to provide cable service therein will be regulated
in accordance with the provisions of 47 CFR sections 76.900 et seq. Pursuant to this section, a municipality may:

(1) elect to undertake such rate regulation itself, or jointly in conjunction with one or more municipalities served by the same cable television system; or

(2) elect to have the commission undertake such rate regulation; or

(3) elect that no such regulation is warranted at the time the initial election is made.

A municipality shall make an initial election pursuant to this section on or before February 28, 1994, provided, however, that if no election is made by such date, the commission may undertake such rate regulation or other action as may be necessary consistent with the public interest.

(b) A municipality may elect to undertake the regulation of rates for basic cable service and associated equipment charged by any cable television company franchised to provide cable service therein in accordance with 47 CFR sections 76.900 et seq. subject to conditions as follows:

(1) the municipality shall adopt a resolution at a regular or special meeting thereof, which resolution shall include:
   (i) the name of the cable television franchisee to be regulated; and
   (ii) a statement that the municipality possesses the personnel and resources necessary to administer the regulations in 47 CFR, sections 76.900 et seq. or, alternatively, if a municipal official is vested with authority to act on behalf of the municipality in matters pertaining to cable television rates, by action of said official in the manner prescribed for the exercise of such authority, provided said action shall identify the cable television franchisee to be regulated and state the existence of the personnel and resources necessary to administer said FCC regulations;

(2) the municipality shall serve a certified copy of said resolution or a true copy of an action on delegated authority on the commission within five days of the date thereof;

(3) the municipality shall also serve promptly upon the commission:
   (i) a copy of its request for certification as filed with the FCC and copies of oppositions, if any, to such request;
   (ii) notice that certification has been obtained or, alternatively, a copy of any response from the FCC to the contrary; and
   (iii) a copy of the notice served upon the cable television franchisee initiating regulation as required by 47 CFR section 76.910(e)(2).

(c) A municipality may elect to have the commission undertake the regulation of rates for basic cable service and associated equipment charged by any cable television company franchised to provide cable service therein in accordance with 47 CFR sections 76.900 et seq. subject to conditions as follows:

(1) the municipality shall adopt a resolution at a regular or special meeting thereof which resolution shall include:
   (i) the name of the cable television franchisee to be regulated; and
   (ii) a statement that the municipality chooses to have the commission undertake such regulation;

(2) such election shall be effective on the date that the certified copy of said resolution is received by the commission.

(d) A municipality may elect not to undertake regulation in accordance with 47 CFR sections 76.900 et seq. subject to conditions as follows:

(1) the municipality shall adopt a resolution at a regular or special
meeting thereof which resolution shall include:

(i) the name of the cable television franchisee; and

(ii) a statement that the rates charged by said franchisee for basic service and associated equipment shall not be subject to regulation at such time but that the municipality reserves the right to alter said election at any time.

(2) the municipality shall serve a certified copy of said resolution on the commission within five days of the date of adoption;

(3) an election not to regulate rates may be changed at any time;

(4) a municipal determination that rates shall not be subject to regulation in accordance with 47 CFR sections 76.900 et seq. shall be subject to review by the commission pursuant to the standards set forth in section 222 of the public service law.

(e) An election made by a municipality before the thirtieth day following the effective date of this Subpart shall be presumed valid and shall remain in effect until altered in accordance with section 892-3.5 herein.

892-3.5 Reversal of election.

A municipality may, at any time, alter an initial election in the same manner required for such initial election, provided, that it shall provide prompt notice thereof to the commission and to any cable television company affected thereby and further provided that in any case where the commission regulates rates, any such change shall not take effect during the pendency of a ratemaking proceeding.

892-3.6 Procedures.

(a) Every ratemaking proceeding shall be conducted and decided in accordance with the regulations of the FCC and the provisions of this section not inconsistent therewith; provided, however, that a municipality which elects to regulate rates itself, or jointly with one or more other municipalities, may adopt and administer additional regulations with respect to the rates for the basic service tier that are consistent with the regulations of the FCC and may adopt additional procedures applicable to the submission and consideration of views of interested parties. A municipality which adopts such additional regulations or procedures shall file a copy thereof with the commission.

(b) A ratemaking proceeding shall be deemed commenced:

(1) when a cable television company is served by a municipality or the commission with the written notice described in 47 CFR section 76.910(e) (2); or

(2) after such written notice has been served on a cable television company, and provided that certification remains in effect, upon receipt by a municipality or the commission of a notice of any proposed increase or decrease in the rates for basic cable service and associated equipment.

(c) In accordance with 47 CFR section 76.930, a cable television company shall file its schedule of rates for basic cable service and associated equipment with the municipality and the commission:

(1) within 30 days of receiving such written notice or by November 15, 1993, whichever is later; or

(2) at least 30 days prior to the effective date of any proposed increase. Such rates shall be filed on forms, or in the manner, as may be prescribed by the FCC. In either case, the cable television company
shall cause to be published in a newspaper of general circulation in the municipality, a notice that said ratemaking proceeding has been commenced; that a copy of the schedule of rates will be available for public inspection during normal business hours at the office of the clerk of the municipality and at the commission; and that interested parties may submit written comments to the municipality or the commission, as the case may be, on or before a specified date which shall not be later than the 20th day after said schedule of rates is filed by the cable television company. Such notice shall be published at least 15 days before the due date for comments.

(d) Promptly upon receipt of said schedule of rates, a municipality that has chosen to undertake rate regulation in accordance with 47 CFR sections 76.900 et seq. shall ensure that a public meeting is scheduled to occur within 30 days of the date the cable company files its schedule of rates on applicable FCC forms and may schedule a public hearing for the purpose of receiving public comment on said rates. The authority to schedule said hearing may be delegated to the clerk or other municipal official by the municipality. Notice of such hearing shall be published at least five days before the date of said hearing. In the event that the municipality determines pursuant to 47 CFR section 76.933 to extend the time for review of rates beyond 30 days, it shall provide at least one additional opportunity for the submission of comments. The costs of publication of all notices shall be borne by the cable television company.

(e) When filing or submitting financial information, a cable television company shall certify the accuracy of such information; provided, however, that certification may be made by an officer of the cable television company. A cable television company may be required to produce proprietary information provided, however, that procedures analogous to those set forth in 47 CFR section 0.459 regarding requests for confidentiality shall be applied by the municipality or the commission.

(f) A determination of rates shall be made at a public meeting and shall be embodied in a written decision whenever such determination:

(1) disapproves an initial rate;
(2) disapproves a request for a rate increase in whole or in part; or
(3) approves a request for an increase in whole or in part over the objection of a participant.

(g) Every written decision must include at a minimum:

(1) the date the ratemaking proceeding was commenced;
(2) a copy of each public notice described in this section;
(3) a list of the participants in the ratemaking proceeding;
(4) a complete description of each rate approved or disapproved and the effective date thereof;
(5) whether a rate reduction or rate refund is being ordered and, if so, the amount of the reduction or refund;
(6) the effective date of the rates approved and the amount of reductions or refunds, if any; and
(7) a statement that the decision was made in accordance with applicable federal standards and the regulations contained in this Subpart.

(h) Whenever a written decision is issued, copies of the text shall be provided to all participants in the proceeding and shall be made available to the public. Notice of the issuance of a written decision
and the availability thereof shall be published in a newspaper of general circulation in the affected municipality. The cable television company shall bear the costs of such notice.

(i) In addition to the foregoing, the commission shall not enter an order prescribing any rate unless:

(1) it shall have first caused a notice of the rates proposed by a cable television company to be served on each municipality wherein said company provides service and shall have provided each municipality with a reasonable period of time consistent with the applicable federal procedure to file comments on the proposed rates; and

(2) in the event it determines pursuant to 47 CFR section 76.933 to extend the time for review of rates beyond 30 days, it shall provide at least one additional opportunity for the submission of written comments by interested parties and may conduct a public hearing;

(3) in respect to so much of any rate or charge as shall be based upon franchise fees payable to a municipality or the cost of compliance with public, educational or governmental access requirements or any other requirements set forth in the municipal franchise agreement, it shall have provided the municipality with a reasonable opportunity consistent with time periods applicable to review and to comment upon the amount of such fees and costs.

NYCRR 892-3.7 Notice of rate increases.

(a) A cable television company shall provide written notice to subscribers of any increase in rates for cable services at least 30 days before any proposed increase is effective. The notice to subscribers should include the name and address of the commission and the municipality.

(b) A cable television company shall provide written notice to the commission and the municipality at least 30 days before any proposed increase in the rates for cable services is effective.

NYCRR 892-3.8 Notification of basic service tier availability.

A cable television company shall provide written notification to subscribers of the availability of basic cable service by November 30, 1993, or three billing cycles from September 1, 1993, and to new subscribers at the time of installation. This notification shall include the following information:

(a) that a basic service tier is available;

(b) the cost per month for the basic service tier; and

(c) a list of all services included in the basic service tier.

NYCRR 892-3.9 Severability.

If any provision of this Subpart or the application of such provision to any circumstances is held invalid for any reason whatsoever, the remainder of this Subpart or the application of the provision to other circumstances shall not be affected thereby.

NYCRR 892-3.9 Severability.

If any provision of this Subpart or the application of such provision to any circumstances is held invalid for any reason whatsoever, the remainder of this Subpart or the application of the provision to other circumstances shall not be affected thereby.
894.1 Cable television advisory committee
894.2 Final report of advisory committee
894.3 Request for proposals
894.4 Invitation of applications; public notice of request for proposals
894.5 Application for franchise
894.6 Investigation and due diligence required
894.7 Public hearing
894.8 Timing and manner of award of franchise
894.9 Alternative franchising procedure

Section 894.0 Applicability.
The provisions of section 894.1 through 894.4 shall apply only to the award of an initial franchise by a municipality that does not qualify for the alternative procedure in section 894.9 and in which no cable system is operating, and no open video system has been certified by the FCC to operate. The provisions of sections 894.5 through 894.8 shall apply to all franchise applications, whether or not requested by a municipality, and to municipal action once an application is received. No cable television franchise shall be effective unless a certificate of confirmation has been issued by the commission pursuant to section 221 of the Public Service Law. An application for a certificate of confirmation shall comply with Part 897 of this Title.

Section 894.1 Cable television advisory committee.
(a) Designation. Upon receipt of a formal request for a franchise, a municipality shall, and at any other time a municipality may, designate a cable television advisory committee (hereinafter referred to as advisory committee) which, insofar as possible, shall be broadly representative of the community.
(b) Notification. No more than 10 days after designating an advisory committee, the municipality shall:
   (1) notify the commission of its action which notification shall include the names of those individuals designated to serve on the advisory committee and the address at which the advisory committee may receive communications; and
   (2) take such action as it deems appropriate to advise residents of the municipality that it has designated an advisory committee and to ensure that such residents have an opportunity to participate in the franchising process.
(c) Duties of the advisory committee. The advisory committee shall:
   (1) undertake to inform itself and the public about cable communications;
   (2) determine the communication needs and interests of the residents of the municipality, and the potential services and characteristics of a cable system that will meet such needs and interests; and
   (3) prepare and submit to the municipality a final written report pursuant to section 894.2 of this Part.

Section 894.2 Final report of advisory committee.
(a) The advisory committee shall submit a final written report to the municipality within ninety (90) days of its designation containing:
   (1) a description of the characteristics of the cable system deemed best suited to the needs and interests of the municipality; and
   (2) a "Request for Proposals" in compliance with section 894.3.
The advisory committee shall submit a copy of its final report to the Commission upon submitting it to the municipality. Upon receipt of the final report of the advisory committee, the municipality shall:

(1) make a copy of the report available for public inspection during normal business hours; and

(2) consider the recommendations contained in the report and, at a public session, within 45 days of the receipt of such final report, adopt a request for proposals that conforms to the requirements of section 894.3 of this Part. The request for proposals submitted by the advisory committee as part of its final report is not binding on the municipality and may be modified in whole or in part.

894.3 Request for proposals.

A request for proposals shall contain, but need not be limited to:

(a) a description of the cable television system desired by the municipality, including any system specifications established by the municipality;

(b) a statement specifying the form that all applications shall follow;

(c) a statement indicating the amount of the application fee (if any) to be submitted with the application, and the manner in which such fee is to be submitted;

(d) a statement that all applications must contain the information required by section 894.5 of this Part;

(e) the closing date for the submission of applications (which shall be the same as that contained in the public notice); and

(f) the name, address and telephone number of the municipal official(s) who may be contacted for further information.

894.4 Invitation of applications; public notice of request for proposals.

(a) A municipality shall invite applications for a cable television franchise by means of a public notice advertising the availability of its requests for proposals. The public notice shall contain, but need not be limited to:

(1) a description of the political or geographic boundaries of the area for which a franchise is sought;

(2) a statement that a formal request for proposals is available to prospective applicants from a municipal officer whose name, address and telephone number are specified;

(3) a statement that applications for a franchise must be submitted in writing in the form and manner specified in the request for proposals no later than a day certain (which date shall be not less than 60 days from the date of final publication of the public notice); and

(4) a statement that all applications will be made available for public inspection during normal business hours at a specified location.

(b) The public notice of a request for proposals shall be published in the following manner:

(1) at least once in each of two different calendar weeks in the official newspaper(s) of the municipality; and

(2) at least once in any two publications that may reasonably be expected to attract the attention of prospective franchise applicants nationally.

(c) Promptly upon the submission of its notice of request for
proposals for publication, the municipality shall furnish the commission
with true and complete copies of (1) the public notice; and (2) the
request for proposals if materially different from the recommended
request for proposals submitted to the municipality by the advisory
committee. True copies of proofs of publication shall also be provided
to the commission.

894.5 Application for franchise.
Every application submitted to a municipality for a cable television
franchise shall include, in addition to such other information as may be
required by the municipality by a request for proposals or otherwise:
(a) A description of the cable television system proposed to be
constructed which description shall contain, but need not be limited to,
information regarding:
(1) channel capacity, including both the total capability of the
proposed system and the number of channels to be energized immediately;
(2) television and radio broadcast signals which the applicant intends
to carry on its system initially;
(3) extent and type of any origination cablecasting to be undertaken,
and the facilities, equipment and staff to be employed therein; and
(4) system layout or design, including where applicable:
(i) location of antennae and headend(s);
(ii) plans for two-way capability, including a proposed schedule
indicating when two-way capability will become available from particular
points;
(iii) location of origination points and origination facilities;
(iv) extent and type of automated services to be provided; and
(v) number of channels to be utilized for access cablecasting, and the
facilities, equipment, staff and other support to be available to access
users including access utilization or production costs.
(b) The terms and conditions under which service is to be provided to
educational and governmental entities.
(c) Terms concerning rates and construction schedules which satisfy
the requirements of Part 895 of this Title.
(d) If an application seeks a franchise for an area for which an
existing franchise is in effect, the applicant shall indicate
specifically whether it will provide service on the same terms and
conditions as contained in such existing franchise and may include a
proposed franchise consistent therewith.
(e) A statement of the applicant's experience in the cable television
field including, if applicable, the names and professional experience of
the persons or organizations who will be responsible for the
construction, installation and operation of the proposed system.
(f) A statement indicating whether the applicant or any of its
principals owns or operates any other cable television system, directly
or indirectly, and a statement indicating the name of any such
operations and the name and address of the chief executive officer(s) of
the franchising authority(s) in which such system or station is located.
(g) A documented plan for financing the proposed system, which plan
shall indicate specifically every significant anticipated source of
capital and any and all limitations or conditions with respect to the
availability of the indicated sources of capital.
(h) A statement indicating whether the applicant or any of its
principals (which, in the case of a corporation, shall include all
officers, directors and persons having a legal or equitable interest in
ten percent or more of the voting stock):

(i) has ever been convicted of a crime involving moral turpitude
(including criminal fraud) or is presently under an indictment charging
such a crime;

(ii) has ever been held liable by any court of competent jurisdiction
in any civil action based on fraud, deceit or misrepresentation; or

(iii) has ever been punished or censured in any jurisdiction for any
violation or attempted violation of any law, rule or order relating to
cable television operations.

If the statement is affirmative with respect to any of the
above-mentioned adverse considerations, the applicant should include in
the statement such explanatory material as it deems appropriate.

(i) The applicant shall mail a copy of the application to each person
that holds an existing franchise from, or provides cable service in, the
municipalities. Such mailing shall be made on or before the date the
applicant submits its application to the municipality.

894.6 Investigation and due diligence required.

The municipality shall use due diligence to investigate and assess the
technical ability, financial condition, and character of every applicant
and, in particular, to ascertain the operating record and reputation of
any applicant who owns or operates, or whose principals own or operate
cable television systems elsewhere.

894.7 Public hearing.

The municipality shall conduct a public hearing prior to awarding any
cable television franchise. The hearing shall be preceded by reasonable
notice to each of the franchise applicants, to the public, and to each
person that holds a franchise from, or provides cable service in the
municipality, to be franchised, and shall be conducted by the
legislative body of the municipality or other duly authorized body in
accordance with the following procedures:

(a) There shall be an agenda for the hearing which shall specify the
proposals to be considered at the hearing.

(b) Every person who has applied for a cable television franchise
shall appear at the hearing either in person or by authorized
representative. The application of any applicant not so appearing shall
not be further considered, except for good cause shown.

(c) All persons, entitled to notice pursuant to this section, shall be
given full opportunity to participate in the hearing and to ask
questions of any applicant or participant in the hearing, but nothing
contained herein shall limit the power of the presiding officer to
establish reasonable time limits and otherwise limit repetitive
statements or questions.

(d) The notice of hearing shall:
(1) conform to all relevant State and local laws and ordinances;
(2) describe the agenda to be considered at the public hearing; and
(3) indicate that copies of all franchise applications are available
for public inspection during normal business hours at a place to be
specified in the notice.

(e) Notwithstanding the number of applications for a cable television
franchise which have been received, the hearing required by this section
shall be convened within 60 days of the later of the following dates:
(1) the date upon which the application to be considered was filed or, if multiple franchise applications are pending, the last date upon which a pending application was filed;
(2) the closing date specified in a request for proposals for the filing of such applications; or
(3) the earliest date upon which the municipality may convene such a hearing pursuant to local law or charter.
(4) Notwithstanding paragraphs (1) - (3) of this subdivision, if the municipality has received a single application for a second or additional franchise and the applicant has stated its willingness to provide cable service on the same terms and conditions as those contained in an existing franchise, the hearing shall be held within thirty (30) days of the receipt of the application and the municipality may grant the franchise upon conclusion of such hearing.

894.8 Timing and manner of award of franchise.
(a) A municipality may award one or more franchises within its jurisdiction. A municipality may not unreasonably refuse to award an additional competitive franchise.
(b) Notwithstanding the number of applications for a cable television franchise which have been received, the municipality shall either award or deny each application within a period of six months from the public hearing held pursuant to section 894.7 of this Part. The failure of the municipality to act within this period shall be deemed a denial of all cable television franchise applications before such municipality at such time.
(c) A municipality shall exercise due diligence to prepare a franchise agreement consistent with the needs and interests of the residents of the municipality and the standards of section 895.1.
(d) If a franchise application is denied the municipality shall include in the resolution the reasons for denial.

894.9 Alternative franchising procedure.
(a) Notwithstanding anything to the contrary in this Part, compliance with the provisions of sections 894.1 through 894.4 of this Part will not be required of any municipality and cable television company authorized to use the alternative franchising procedure. Such authorization shall be granted by the secretary or, in the secretary's absence, the counsel to the commission, upon a showing that the criteria set forth in subdivision (b) of this section have been satisfied.
(b) In order to be eligible for the alternative franchising procedure described in subdivision (a) of this section there must be no existing cable system serving the proposed franchise area and the municipality must have contacted all cable television companies (if any) serving municipalities within a 25-mile radius of the proposed service area and determined that only one company is interested in providing the service, and the municipality must have served notice on all contiguous municipalities of its intention to grant a franchise pursuant to the alternative franchising procedure if authorized to do so by the commission.
(c) In the event the municipality is authorized to and does employ the alternative franchising procedure, the following requirements shall be met:
   (1) The municipality shall cause a notice to be published in the
official newspaper(s) of the municipality, within 30 days of receipt of authorization from the commission to utilize the alternative franchising procedure stating:

(i) that the municipality has received approval from the commission to utilize the alternative franchising procedure; and

(ii) that an application for a franchise containing the information specified in section 894.5 of this Part must be submitted by any interested cable television company by a date certain which shall be at least 15 days prior to the public hearing held pursuant to section 894.7 of this Part; and

(2) The municipality shall mail a copy of the public notice required by paragraph (1) of this subdivision to each company holding an existing franchise to serve any portion of the geographic area sought to be franchised through the alternative franchising procedure. Such mailing shall be made on or before the date of the publication required by paragraph (1) of this subdivision.

(d) A municipality authorized to use the alternative franchising procedure shall comply with sections 894.5 through 894.8 of this Part.

PART 895
FRANCHISE STANDARDS

(Statutory authority: Public Service Law òò 215, 216, 221)

Sec.
895.1 Required contents of franchises
895.2 Additional terms and conditions permitted
895.3 Level playing field
895.4 Minimum standards for public, educational and governmental (PEG) access
895.5 Requirements for construction of cable television plant and provision of cable television services

Section 895.1 Required contents of franchises. A franchise will be confirmed or approved by the commission only if it contains provisions in substantial compliance with the the following:

(a) Recitations indicating that:

(1) the franchisee's technical ability, financial conditions, and character were considered and approved in a full public proceeding affording due process;

(2) the franchisee's plans for constructing unconditionally and operating the cable television system were considered and found adequate and feasible in a full public proceeding affording due process;

(3) the franchise complies with the commission's franchise standards; and

(4) the franchise is nonexclusive.

(b) For an initial franchise, a full description of the system proposed for construction, which shall indicate the specific geographical areas to be wired, and the location of all trunk and feeder plant. The description shall indicate anticipated stages of completion of construction at six-month intervals for the entire franchise area and a specific schedule showing that significant construction will be accomplished and cable television service will be available to a significant number of subscribers within one year after the effective date of the certificate of confirmation of the franchise; or for a renewal, a description of the system as constructed and as will be
expanded or enhanced during the term of the renewal. In either case, the provision shall specify the minimum channel capacity of the system and describe any areas where the system will be extended and service made available only in accordance with specific conditions, which requirement may be fulfilled by reference to the minimum standards governing line extension in section 895.5 of this Part.

(c) A provision specifying that the franchisee shall construct and maintain its cable system using materials of good and durable quality and that all work involved in the construction, installation, maintenance, and repair of the cable system shall be performed in a safe, thorough and reliable manner.

(d) A provision stating that access to cable service will not be denied to any group of potential residential subscribers because of the income of the residents of the local area in which such group resides.

(e) A provision stating that the rates and charges imposed by the franchisee for cable television service shall be subject to regulation in accordance with federal law.

(f) A provision describing the channel capacity and facilities, equipment and support for public, educational and governmental (PEG) access which requirement may be fulfilled by reference to the minimum standards set forth in section 895.4 of this Part; provided, however, that if any of the requirements for PEG access exceed such minimum standards, the provision shall state that the channel designation requirements for PEG access shall not be different than the channel designation requirements in any other cable television franchise granted by the municipality and that the provisions for facilities, equipment and support for PEG access shall be competitively neutral when compared to such requirements as may be contained in such other franchise.

(g) A provision specifying the franchise term which shall be up to a maximum of 15 years from the effective date of the certificate of confirmation or approval of a franchise renewal.

(h) A provision prohibiting the abandonment of cable television service in any portion of the franchise area without the written consent of the franchising municipality.

(i) A provision:
   (1) requiring the franchisee to indemnify the municipality for, and hold it harmless from, all liability, damage, cost or expense arising from claims of injury to persons or damage to property occasioned by reason of any conduct undertaken pursuant to the franchise; and
   (2) specifying minimum amounts of liability insurance to be obtained by the franchisee.

(j) A provision stating that any municipal property damaged or destroyed shall be promptly repaired or replaced by the franchisee and restored to serviceable condition.

(k) A provision stating the franchisee will not refuse to hire or employ, nor bar or discharge from employment, nor discriminate against any person in compensation or in terms, conditions or privileges of employment because of age, race, creed, color, national origin or sex.

(l) A provision reserving to the municipality the right to adopt, in addition to the provisions contained in the franchise and existing applicable ordinances, such additional regulations as it shall find necessary in the exercise of its police power; provided, however, that such regulations are reasonable, not materially in conflict with the privileges granted in the franchise and consistent with all federal and
state laws, rules, regulations and orders.

(m) A provision reserving to the municipality the right to inspect all pertinent books, records, maps, plans, financial statements, and other like materials of the franchisee, upon reasonable notice and during normal business hours.

(n) A provision indicating by title the office or officer of the municipality that is responsible for the continuing administration of the franchise.

(o) A provision stating:
   (1) whether a franchise fee shall be payable by the franchisee to the municipality; and, if applicable;
   (2) the precise amount or method of calculation of such franchise fee;
   (3) whether any facilities or support for public, educational and governmental access that may be required by the franchise shall be part of such franchise fee. This provision shall also provide that the amount or method of calculation shall be competitively neutral when compared to the amount or method of calculation of a franchise fee contained in any other cable television franchise granted by the municipality.

(p) A severability clause identifying any franchise provisions which the municipality and franchisee deem to be material and stating that should any other provision of the franchise be held invalid by a court or a regulatory agency of competent jurisdiction, the remaining provisions of such franchise shall remain in full force and effect.

(q) A provision stating that the terms of the franchise are subject to the approval of the Public Service Commission.

(r) A provision requiring the franchisee to file applications for all necessary approvals from the commission and the Federal Communications Commission within 60 days from the date the franchise is granted or amended.

(s) (1) If municipal approval is required for a transfer of ownership or control of any franchise or cable television facilities serving a significant portion thereof, such approval shall be required in addition to any other approval required by applicable state law or regulation. A transfer of ownership or control for purposes of municipal jurisdiction shall mean the transfer of an equity or controlling interest or the equivalent thereof of fifty percent or more of any entity who controls the cable television system serving the municipality, unless otherwise specified in the franchise.

   (2) In considering an application for the transfer of ownership or control of a franchise or cable television facilities serving a significant portion thereof, a municipality may consider the applicant's:

   (i) technical ability;
   (ii) the financial ability;
   (iii) good character; and
   (iv) other qualifications necessary to continue to operate the cable television system consistent with the terms of the franchise.

(t) A provision that any valid reporting requirements contained in the franchise may be satisfied with system-wide statistics, except for reporting requirements related to franchise fees and customer complaints.

895.2 Additional terms and conditions permitted.
Any franchise may contain such additional terms and conditions as the
municipality and the franchisee deem appropriate, provided such additional terms and conditions are consistent with all Federal and State laws, rules, regulations and orders.

895.3 Level playing field.

No municipality may award or renew a franchise for cable television service which contains economic or regulatory burdens which when taken as a whole are greater or lesser than those burdens placed upon another cable television franchise operating in the same franchise area.

895.4 Minimum standards for public, educational and governmental (PEG) access.

(a) Definitions. (1) The term public access channel means a channel designated for noncommercial use by the public on a first-come, first-served, nondiscriminatory basis.

(2) The term educational access channel means a channel designated for noncommercial use by school districts and not-for-profit educational institutions chartered or licensed by the New York State Department of Education or Board of Regents.

(3) The term government access channel means a channel designated for noncommercial use by municipal, county and State government, or agencies thereof.

(4) The term public, educational or governmental (PEG) access facilities means (i) channel capacity designated for noncommercial public, educational or governmental use; and (ii) facilities and equipment for the noncommercial use of such channel capacity.

(5) The term local use means use by residents of the State of New York including school districts and not-for-profit educational institutions and municipal, county and State governments, or agencies thereof.

(6) The term access cablecast day means a day or part thereof during which public, educational or governmental access facilities are available for PEG use.

(b) Designation of channels. Every cable television franchisee shall designate channel capacity for PEG access as follows:

(1) The franchisee of a cable television system with a channel capacity of 36 or more channels shall designate (i) at least one full-time activated channel for public access use; (ii) at least one full-time activated channel for educational and governmental use; and (iii) one additional full-time activated channel for educational/governmental use whenever the first channel so designated shall have been used for such educational and governmental programming on the average of at least 12 hours per day during any 90-day period; provided, however, that the calculation of such average shall not include any day when the unavailability of PEG access facilities precludes achieving such programming level. In the event that two channels for educational and governmental use are required by this subdivision, one channel shall be designated the educational access channel and one channel shall be designated the governmental access channel; provided, however, that either channel may be used for either purpose if necessary to satisfy the demand for channel time.

(2) The franchisee of a cable television system with a channel capacity less than 36 channels shall designate at least one full-time activated channel for public, educational and governmental use.

(c) Administration and use. The use of the channel capacity for PEG
shall be administered as follows:

(1) The public access channel shall be operated and administered by the entity designated by the municipality or, until such designation is made, by the cable television franchisee provided, however, that the municipality may designate such entity at any time throughout the term of a franchise.*

* If a single public access channel is shared by two or more municipalities, the joint designation of a single entity is encouraged.

(2) The educational and governmental access channel shall be operated and administered by a committee or a commission appointed by local government and shall include appropriate representation of local school districts within the service area of the cable television system and may include for purposes of coordination an employee or representative of the cable television franchisee.**

** Where an educational or a governmental channel is shared by more than one school district or local government or combination thereof, administration of such channel(s) on a cooperative basis is encouraged.

(3) The entity responsible for administering and operating the public access channel shall provide notice to the general public of the opportunity to use such channel which notice shall include: (i) periodic messages transmitted on such channel and (ii) written notice to subscribers at least annually. Notices shall include the name, address and telephone number of the entity to be contacted for use of the channel. All PEG access programming shall be identified as such.

(4) Channel time shall be scheduled on the public access channel by the entity responsible for the administration thereof on a first-come, first-served, nondiscriminatory basis.

(5) Local use of educational and governmental access channels shall have preferred status in the event of competing requests for channel time. Priority may be afforded to local governments within the service area of the system.

(6) Channel time for PEG access programming shall be without charge to the user.

(7) The designation of PEG access facilities shall include the provision by the cable television franchisee of the technical ability to play back prerecorded programming and to transmit programming information consistent with the designated uses of PEG access channels.

(8) The cable television franchisee shall not exercise any editorial control over any public, educational or governmental use of channel capacity designated for PEG purposes provided, however, that this subparagraph shall not be applied to prevent a cable television company from taking such measures as may be authorized by Federal or state law to prohibit obscenity or other content unprotected by the First Amendment of the United States Constitution.

(9) A municipality shall not exercise any editorial control over any use by the public of a public access channel except as may be permitted by law.

(10) The entity responsible for the administration of a public access channel shall maintain a record of the use of such channel which shall include the names and addresses of all persons using or requesting the use of any such channel and which record shall be available for public inspection for a minimum of two years.

(11) Channels designated for PEG use shall be included in the lowest level of service offered by the cable television franchisee, provided,
however, if the number of PEG channels exceeds the minimum number of channels required by this Part, then the cable television franchisee and the local franchising authority may agree to carriage of additional PEG channels on a tier other than the lowest level of service; where a system does not include sufficient unused channel capacity to accommodate a second educational/governmental access channel resulting from the operation of subdivision (b) of this section, the cable television franchisee may elect one time to defer the obligation to provide such additional channel until additional channel capacity becomes available.

(12) A cable television franchisee shall be permitted to use time on one or more PEG access channels whenever there are no blank channels available on the same level of service which includes the PEG channel(s) and whenever such PEG channel(s) is not scheduled for use at least 72 hours in advance of such time or times desired by the cable television franchisee; provided that any use of such PEG channel(s) by the franchisee shall at all times be subordinate to designated PEG use and shall terminate or be preempted by PEG programming scheduled at least 72 hours in advance. All nonaccess programming on PEG channels shall be identified as such by an appropriate announcement made prior to and following each nonaccess use. Notwithstanding the foregoing, at such time as any PEG channel on a cable television system with a channel capacity in excess of 40 channels has been programmed for a daily average of eight hours or 50 percent of the hours of access cablecast days, whichever is less, during any 90-day period, use of such channel by the cable television franchisee shall be suspended for such time as such minimum PEG use of such channel is maintained.

(d) Applicability. (1) Subdivisions (a), (c) and (f) of this section shall apply to the use of channel capacity designated for PEG access as of September 9, 1990.

(2) The minimum channel designation requirements in subdivision (b) of this section shall be required by, and shall be a condition to, the exercise of every franchise and certificate of confirmation granted or renewed after September 9, 1990.

(3) Notwithstanding the foregoing, nothing contained herein shall impair the enforcement of any provision of any franchise in effect on September 9, 1990 concerning the designation and use of channel capacity, facilities and equipment for PEG access or otherwise diminish the obligations of a cable television franchisee with respect to PEG access.

(e) General. Any cable television franchisee may include additional provisions concerning the designation and use of public, educational and governmental access facilities as follows:

(1) a provision specifying the facilities and equipment to be made available by the franchisee for use in connection with the designated PEG channels; and

(2) any other provision concerning the designation and use of channel capacity for public, educational and governmental access consistent with Federal and State law.

(f) Waivers and rulings. (1) A cable television franchisee, a municipality or an entity designated to administer a public access channel may seek a waiver of one or more provisions of this section.

(2) Any interested person may seek a ruling from the commission concerning the applicability or implementation of any provision of this
section or any provision of a franchise concerning PEG access upon the filing of a petition.

(3) Notwithstanding paragraphs (1) and (2) of this subdivision, the commission shall not grant any waiver or ruling, or enter any order that constitutes the exercise of editorial control over the content of public access programming except as may be permitted by law.

(4) Waiver requests regarding section 895.4(b)(1) shall be submitted by joint petition of the franchising authority and the cable television franchisee. Any such petition may seek permission to substitute a commitment not required by this Part in lieu of one or more standards that are required.

(g) Severability. If any provision of this section or the application of such provision is held invalid by a court of competent jurisdiction, the remainder of this section or the application of the provision to other circumstances shall not be affected thereby.

895.5 Requirements for construction of cable television plant and provision of cable television services.

(a) Definitions. (1) Primary service area shall include each of the following within the franchised area:

(i) those areas where cable television plant has been built without a contribution-in-aid-of-construction by subscribers;

(ii) those areas where the cable television company is obligated by the terms of its franchise to provide cable television service without a contribution-in-aid-of-construction by subscribers;

(iii) any area adjoining an area described in subparagraph (i) or (ii) of this paragraph and which contains dwelling units at a minimum rate of 35 dwelling units per linear mile of aerial cable;

(iv) any area adjoining an area described in subparagraphs (i) and (ii) of this paragraph and which contains at least the same number of dwelling units per linear mile of cable in areas described in subparagraphs (i) and (ii) of this paragraph. The average is to be determined by dividing the sum of the dwelling units in areas described in subparagraphs (i) and (ii) of this paragraph by the number of linear miles of cable in the same areas.

(2) Line extension area shall be any area within the franchised area which is not the primary service area.

(b) Where a cable television franchise is awarded, renewed or amended after October 1, 1982, the franchise will be confirmed or the amendment will be approved by the commission only if the franchise contains the following additional minimum franchise standards:

(1) That, within five years after receipt of all necessary operating authorizations, cable television service will be offered throughout the authorized area to all subscribers requesting service in any primary service area.

(2) That cable television service will not be denied to potential subscribers located in line extension areas who are willing to contribute to the cost of construction in accordance with the following formula:

\[ C - CA = SC \]

\[ LE \text{ P} \]

\[ C \text{ equals the cost of construction per mile in the primary service area; CA equals the average cost of construction per mile in the primary service area; P equals the } \]

lower of 35 or the average number of dwelling units per linear mile of cable in areas described in subparagraphs (a)(1)(i) and (ii) of this section; LE equals the number of dwelling units requesting service in the line extension area; and SC equals subscriber contribution-in-aid-of-construction in the line extension area.

(i) Whenever a potential subscriber located in a line extension area requests service, the cable television company shall, within 30 days of the request, conduct a survey to determine the number of potential subscribers located in the line extension area, and shall inform each of the potential subscribers of the contribution-in-aid-of-construction that may be charged. The cable television company may require prepayment of the contribution-in-aid-of-construction. The cable television company shall apply for pole attachment agreements within 30 days of its receipt of the contribution-in-aid-of-construction. Cable television services must be made available to those who made a contribution-in-aid-of-construction within 90 days from the receipt of pole attachment agreements by the cable television company.

(ii) The contribution-in-aid-of-construction shall be in addition to the installation rate set forth in the franchise.

(iii) During a five-year period commencing at the completion of a particular line extension, pro rata refund shall be paid to previous subscribers as new subscribers are added to the particular line extension; the amount of the refund, if any, shall be determined by application of the formula annually. The refunds shall be paid annually to subscribers, or former subscribers, entitled to receive them. The company shall not be required to provide refunds to any previous subscriber otherwise entitled to a refund, who is no longer at the same address and who has not informed the company of the subscriber's address.

(3) That cable television service will be provided to any subscriber who demands service within seven business days of the request for service and who is located within 150 feet of aerial feeder cable, and that the charge for the installation for any subscriber so situated will not be in excess of the standard installation charge.

(4) Nothing in paragraph (1) of this subdivision shall be construed to preclude:

(i) the provision of cable television services by the franchisee in a line extension area without assessing a contribution-in-aid-of-construction; or

(ii) the inclusion in a cable television franchise of a provision establishing a primary service area which includes at least all of those areas which are in the primary service area as defined in subdivision (a) of this section.

(5) Nothing in paragraph (2) of this subdivision shall be construed to preclude:

(i) the discounting or the waiver of the maximum contribution-in-aid-of-construction charge a cable television company can charge a subscriber pursuant to paragraph (2) of this subdivision; or

(ii) the inclusion of a provision in a cable television franchise establishing a formula to be used to determine the contribution-in-aid-of-construction charge, which formula is different than the formula set forth in paragraph (2) of this subdivision, provided that the formula included in the franchise does not require
payment by the subscriber in a line extension area of a higher contribution-in-aid-of-construction charge than would result from the use of the formula set forth in paragraph (2) of this subdivision.

(c) All cable television companies operating in the State of New York shall make cable television service available to all potential subscribers requesting service who are located in a primary service area as defined in paragraph (a)(1) of this section, and shall make services available in line extension areas as defined in paragraph (a)(2) of this section at charges which may not exceed those provided for in paragraph (b)(2) of this section within the following schedule of compliance:

(1) prior to January 1, 1984 in any franchise area for which the original certificate of confirmation of the franchise was granted by this commission prior to January 1, 1979;

(2) within five years from the date the certificate of confirmation was granted by this commission, in any franchise area for which the original certificate of confirmation of the franchise was granted by this commission after January 1, 1979.

(d) The provisions of this section may be waived by the commission if the commission determines that compliance with the section would not be possible within the limitations of economic feasibility.

PART 896
TECHNICAL PERFORMANCE AND SAFETY STANDARDS
(Statutory authority: Public Service Law ðð215, 216, 221)

Sec.
896.1 Purpose
896.2 Safe and reliable service
896.3 Technical standards; performance tests
896.4 Service complaints
896.5 Emergency alert system
896.6 Other Records

Section 896.1 Purpose.

The purpose of this Part is to ensure the delivery of safe, adequate and reliable cable television service to subscribers throughout the State in a manner consistent with subpart K of the rules and regulations of the Federal Communications Commission, 47 C.F.R. section 76.601 et seq. The applicable provisions of the C.F.R. referenced in this Part are available for public inspection and copying at the offices of the Department of Public Service, Three Empire State Plaza, Albany, New York 12223 and the New York State Department of State located at 41 State Street, Albany, New York 12207. 47 C.F.R. 76.601 et seq. was published in the Federal Register, Volume 59, No. 93, May 16, 1994 at pp. 25339-25434 by the United States Government Printing Office, Superintendent of Documents, Washington, D.C. 20402. In furtherance of this objective, the commission intends to exercise its jurisdiction and responsibility to the fullest extent permitted by article 11 of the Public Service Law consistent with applicable federal law and rules.

896.2 Safe and reliable service.

Construction of cable television systems shall comply with all relevant safety codes including electric or other public utility codes for joint use of pole lines or underground facilities. Other local construction codes and municipal and State laws and ordinances may also
apply to the construction and maintenance of cable television systems. Particular attention is called to appropriate sections of the National Electric Code as published by the National Fire Protection Association concerning the grounding and bonding of subscriber drop cables at building entry points, as referenced in Section 10.3 of this Title.

896.3 Technical standards; performance tests.
(a) Cable television systems are expected to be designed, installed and operated in compliance with the technical standards in 47 C.F.R. section 76.605 and cable television companies are expected to conduct all performance tests as required by 47 C.F.R. 76.601.
(b) Pursuant to 47 C.F.R. section 76.601(a), every cable television company shall be prepared to demonstrate to the commission that its system complies with the federal technical standards.
(c) Pursuant to 47 C.F.R. section 76.601(c), every cable television company shall maintain performance test data at its local office and shall make such test data available for inspection by the commission upon request.
(d) Pursuant to 47 C.F.R. section 76.601(d), the commission may order a cable television company to perform additional tests, repeat tests or tests involving specified subscriber terminals in order to ensure compliance with federal technical standards at all subscriber terminals; provided, however, that no additional testing shall be required except after notice to the cable television company of signal quality problems and the opportunity during a period of 30 days to correct such problems and to come into compliance with applicable rules.

896.4 Service complaints.
(a) Pursuant to 47 C.F.R. section 76.607, and in accordance with section 890.70 of this title, service complaints from subscribers about the quality of television signals shall be addressed initially to the commission prior to referral to the Federal Communications Commission. Cable television companies shall establish a process for resolving complaints about service quality and shall maintain such complaints for a period of one year. Aggregate data based upon such complaints shall be made available for inspection by the commission and municipal franchising authorities upon request.

896.5 Emergency alert system.
(a) All cable television systems are required to meet all applicable federal requirements for the provisions of Emergency Alert System capability in order to alert citizens in the event of emergencies as defined under the rules of the Federal Communications Commission and Federal Emergency Management Agency.
(b) Cable television systems shall activate their Emergency Alert System equipment upon receipt of any official state or local government warning of a direct and immediate threat to life and property in the area served. Such EAS alerts need only be transmitted in the general geographic area of a cable system that is specified in the warning.
(c) The Department of Public Service will monitor the participation of cable television systems in the Emergency Alert System. Activation of the Emergency Alert System shall not constitute a service interruption or service outage for purposes of this title.
896.6 Other records.

(a) Cable television systems shall maintain an up to date map or other technical records showing the physical location of all cable routes, service areas, receive sites and other interconnection points. The scale of the maps and other technical information shall be of such detail as to permit a determination of franchise areas and subscribers served.

(b) All cable television systems are required to maintain technical information and records regarding incidents that may have affected public safety. Cable systems shall also maintain a record of all Emergency Alert System tests and alerts received as well as a record of the EAS transmission sent out to the cable system. Records may include automatically generated EAS logs. These records shall be maintained for two years.

(c) All information required to be maintained pursuant to this section shall be available for inspection at the local office of the cable television company upon request of the Department of Public Service or a municipal franchising authority.

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PART 897
APPLICATIONS FOR COMMISSION APPROVAL
(Statutory authority: Public Service Law ðò221 and 222)

Sec.
897.1 Applicability
897.2 Certificate of confirmation
897.3 Franchise renewal or amendment
897.4 Transfers
897.5 Purpose
897.6 Types of actions
897.7 Procedure

Section 897.1 Applicability.
In addition to the requirements of Part 17, of this Title, except ð 17.2, and provided that at least an original of such petition will be filed with the Secretary, applications under ð 221 or 222 of the Public Service Law shall conform to the requirements of this Part.

Section 897.2 Certificate of confirmation.
An application for a certificate of confirmation shall set forth and include:
(a) the applicant's name, mailing address and telephone number, the municipality to be served, and the date service commenced or will commence, as the case may be;
(b) a true copy of the franchise agreement together with proof of the public hearing and a copy of the resolution authorizing the franchise;
(c) true copies of all documents submitted by the franchisee to the municipality as part of, or in support of, its application for a franchise;
(d) full facts as to the ownership of the cable television system;
(e) full facts as to the technical specifications and design of the system and whether, and to what extent, the applicant intends to engage in origination cablecasting and access cablecasting;
(f) whether, and to what extent, the proposed operation would be in violation of, or in any way inconsistent with, any federal or State law or regulation;
(g) proof of service of a copy of the application upon the clerk of the municipality and proof of publication of notice of the application to the commission in a newspaper of general circulation in the municipality, which notice shall state the opportunity for interested parties to file comments with the commission within 10 days of publication.

897.3 Franchise renewal or amendment.
An application for approval of a franchise renewal or franchise amendment shall include:
(a) the applicant's name, mailing address and telephone number and the name of the municipality for which the franchise has been issued;
(b) whether affirmative municipal action was required, for the renewal or amendment at issue, and if so, proof that such action was taken, including a true copy of said renewal or amendment and proof of the public hearing that preceded such municipal action;
(c) proof of service of a copy of the application upon the clerk of the municipality and proof of publication of notice of the application to the commission in a newspaper of general circulation in the municipality, which notice shall state the opportunity for interested parties to file comments with the commission within 10 days of publication.

897.4 Transfers.
An application shall be filed, in accordance with the requirements of § 3.5 of this Title, with the Secretary for approval of a transfer of control of a franchise or cable television system and shall include:
(a) the applicant's name, mailing address and telephone number;
(b) whether the proposed transfer is an asset transfer or stock transfer, and, in either case, a list of each franchise, including the name of the municipality that granted the franchise and the date thereof;
(c) a copy of the purchase and sale agreement;
(d) whether pursuant to the terms of the franchise, the proposed transfer requires municipal approval and, if so, a statement that the applicant has requested or will request approval by the municipality and will provide a copy of any municipal resolution adopted relative to such request; and
(e) a copy of FCC Form 394.

897.5 Purpose. This Part sets forth procedures in addition to those contained in 6 NYCRR Part 617, which are necessary for the commission's implementation of the State Environmental Quality Review Act. The terms used in this Part have the meanings given them in 6 NYCRR 617.2, unless the context requires otherwise.

897.6 Types of actions.
(a) Type I actions (which are more likely to require the preparation of environmental impact statements than those unlisted actions) are listed in 6 NYCRR 617.4. Type II actions (which have been determined not to have a significant, adverse effect on the environment) are listed in 6 NYCRR 617.5 and in subdivision (b) of this section. Neither new programs, nor major changes in priorities with respect to policies, regulations and procedures are included.
(b) The adoption of policies, regulations and procedures constitutes
the undertaking of a Type II action if it relates to:
(1) routine administration and management of the commission's
functions, including but not limited to, rules establishing procedures
for the orderly conduct of business before the commission;
(2) practices by cable companies concerning administration and
management of cable company functions, including but not limited to
rules relating to:
   (i) cable company reports;
   (ii) the uniform system of accounts; and
   (iii) transfers of assets and/or control;
(3) practices by cable companies concerning customer relations, such
as, but not limited to, rules governing:
   (i) technical standards and requirements;
   (ii) complaint procedures;
   (iii) billing practices;
   (iv) limitation of liability; and
   (v) landlord-tenant relationships;
(4) activities by cable companies concerning testing, inspection,
repair and maintenance of existing facilities; or
(5) safety measures for design, testing, operation and maintenance of
cable facilities, including rules governing the reporting of signal
levels and leakage.
(c) Construction of cable facilities which is limited to installations
on existing utility facilities is a Type II action, unless such
construction is a Type I action as defined in 6 NYCRR 617.4.
(a) Each application for a certificate of confirmation should be
accompanied by a report of the environmental impact of the proposed
approval. Such report shall be in the form set forth in 6 NYCRR 617.9.
(b) If the commission directs the preparation of an environmental
impact statement, the statement shall conform with the requirements set
forth in 6 NYCRR 617.9.
(c) (1) The responsibility for preparation of the environmental
reports shall be with the applicant for approval.
   (2) Notwithstanding the requirement that the applicant prepare a
report on environmental impact, each party proposing an alternative for
adoption by the commission shall, at the time a proposal is submitted,
present a statement of its views as to the likely environmental impact
of the alternative it has proposed.

PART 898
LANDLORD-TENANT RELATIONSHIP
(Statutory authority: Public Service Law ø 228(1))
Sec.
898.1 Prohibition
898.2 Just compensation
898.3 Notice of installation
898.4 Right of entry
898.5 Application for just compensation
898.6 Contents of application for just compensation
898.7 Service of application
898.8 Responses
Section 898.1 Prohibition.
Except as provided in section 898.2 of this Part, no landlord shall demand or accept any payment from any cable television company in exchange for permitting cable television service or facilities on or within said landlord's property or premises.

Section 898.2 Just compensation.
Every landlord shall be entitled to the payment of just compensation for property taken by a cable television company for the installation of cable television service or facilities. The amount of just compensation shall be determined by the commission in accordance with section 228 (1)(b) of the Public Service Law upon application by the landlord pursuant to section 898.5 of this Part.

Section 898.3 Notice of installation.
(a) Every cable television company proposing to install cable television service or facilities upon the property of a landlord shall serve upon said landlord or an authorized agent, written notice of intent thereof at least 15 days prior to the commencement of such installation.
(b) The secretary of the commission shall prescribe the procedure for service of such notice, and the form and content of such notice, which shall include, but need not be limited to:
   (i) the name and address of the cable television company;
   (ii) the name and address of the landlord;
   (iii) the approximate date of the installation; and
   (iv) a citation of section 228 of the Public Service Law and Part 898 of the commission's rules.
(c) Notice that installation of equipment has been completed may be served at any time on landlords upon whose property cable television service or facilities were placed prior to the effective date of this Part.

Section 898.4 Right of entry.
(a) A cable television company shall have the right to enter property of the landlord for the purpose of making surveys or other investigations preparatory to the installation. Before such entry, the cable television company shall serve a notice upon the landlord, or an authorized agent, which notice shall contain the date of the entry and all other information described in section 898.3(b) of this Part. The cable television company shall be liable to the landlord for any damages caused by such entry but such damages shall not duplicate damages paid by the cable television company pursuant to section 228(1)(a)(3) of the Public Service Law.
(b) Where the installation of cable television service or facilities is not effected pursuant to a notice served in accordance with section 898.3 of this Part, the cable television company may file with the commission a petition, verified by an authorized officer of the cable television company setting forth:
   (1) proof of service of a notice of intent to install cable television service upon the landlord;
   (2) the specific location of the real property;
(3) the resident address of the landlord, if known;
(4) a description of the facilities and equipment to be installed upon
the property, including the type and method of installation, the
anticipated costs thereof, and the measures to be taken to minimize the
aesthetic impact of the installation;
(5) the name of the individual or officer responsible for the actual
installation;
(6) a statement that the cable television company shall indemnify the
landlord for any damage caused in connection with the installation,
including proof of insurance or other evidence of ability to indemnify
the landlord;
(7) a statement that the installation shall be conducted without
prejudice to the rights of the landlord to just compensation in
accordance with section 898.2 of this Part;
(8) a summary of efforts by the cable television company to effect
entry of the property for the installation; and
(9) a statement that the landlord is afforded the opportunity to
answer the petition within 20 days from the receipt thereof, which
answer must be responsive to the petition and may set forth any
additional matter not contained in the petition. Participation by the
landlord is not mandatory, however, if no appearance by the landlord is
made in the proceeding or no answer filed within the time permitted, the
commission may grant to the petitioning cable company an order of entry
which order shall constitute a ruling that the petitioning cable
telephone company has complied with the requirements of section 228 of
the Public Service Law and the regulations contained in this Part. If
the landlord files a written answer to the petition, the cable
television company shall have 10 days within which to reply to said
answer. The commission may grant or deny the petition, schedule an
administrative hearing on any factual issues presented thereby or direct
such other procedures as may be consistent with the installation of
cable television service or facilities in accordance with Section 228 of
the Public Service Law.

898.5 Application for just compensation.
A landlord may file with the commission an application for just
compensation within four months following the service by the cable
television company of the notice described in section 898.3 of this Part
or within four months following the completion of the installation of
the cable television facilities, whichever is later.

898.6 Contents of application for just compensation.
An application for just compensation shall set forth specific facts
relevant to the determination of just compensation. Such facts should
include, but need not be limited to, a showing of:
(a) the location and amount of space occupied by the installation;
(b) the previous use of such space;
(c) the value of the applicant's property before the installation of
cable television facilities, and the value of the applicant's property
subsequent to the installation of cable television facilities; and
(d) the method or methods used to determine such values.
The secretary may, upon good cause shown, permit the filing of
supplemental information at any time prior to final determination by the
commission.
898.7 Service of application. A copy of the application filed by the landlord for just compensation shall be served upon the cable television company making the installation and upon the chief executive officer of the municipality in which the real property is located.

898.8 Responses. Responses to the application, if any, shall be served on all parties and on the commission within 20 days from the service of the application.

898.9 Hearing and determination. (a) If the commission finds that just compensation for the installation of cable television facilities as described in the application may be in excess of one dollar, it shall conduct a hearing pursuant to section 216(3) of the Public Service Law.

(b) An applicant may, within 20 days from the release date of the commission order which sets compensation at one dollar or less, file a written request for a hearing. Upon timely receipt of such request, the commission shall conduct a hearing pursuant to section 216(3) of the Public Service Law and Chapter I, Subchapter A of this Title.

(c) If after the filing of an application, the cable television company and the applicant agree upon the amount of just compensation and the commission approves such amount, the commission shall not be required to conduct a hearing on the issue.

PART 899
FINANCIAL REPORTING REQUIREMENTS
(Statutory authority, Public Service Law §216(1) and (2))

Sec.
899.10 Definitions
899.20 Applicability of recordkeeping requirements
899.21 Accounts
899.30 through 899.70 Reserved
899.80 Filing of financial reports-general
899.81 Selection of fiscal year
899.82 Different reports to be filed
899.83 Nature of filed reports
899.90 Obligation of cable television company to notify commission

899.10 Definitions.

(a) The definitions as contained in section 212 of the Public Service Law shall be followed in determining the appropriateness of any report.

(b) Uniform reporting system. The accounting and financial recordkeeping and reporting requirements prescribed by the commission in this part. The uniform reporting system is commonly abbreviated "URS".

(c) Generally accepted accounting principles and practices. Principles and practices that would be followed in posting financial transactions or preparing financial statements that would generally be acceptable to any other accountant: such generally accepted accounting principles would be those enumerated by the Accounting Principles Board (APB) and its successor, the Financial Accounting Standards Board (FASB).
(a) Recordkeeping requirements--all companies. Every cable television company shall maintain such books and records as will clearly and accurately disclose the condition and results of the business. Generally accepted accounting principles, as defined in Section 899.10(c) of this Part, shall be used in determining the appropriateness of any particular individual or group of accounting entries.

(b) The books of account shall include, but may not be limited to the following:

1. general ledger consisting of assets, liabilities, equity, revenue and expense accounts;
2. plant and equipment ledger; and
3. corporate minute book.

(c) The retention period for books and records will be as follows:

<table>
<thead>
<tr>
<th>Records</th>
<th>Retention period</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. General ledger</td>
<td>Permanent</td>
</tr>
<tr>
<td>2. Plant and equipment ledger</td>
<td>Permanent</td>
</tr>
<tr>
<td>3. Corporate minute book</td>
<td>Permanent</td>
</tr>
<tr>
<td>4. Bank statement, cancelled checks, savings passbooks, etc.</td>
<td>3 years*</td>
</tr>
<tr>
<td>5. Vouchers, invoices, sales slips, etc.</td>
<td>3 years*</td>
</tr>
<tr>
<td>6. Customer billings, receipts, etc.</td>
<td>3 years</td>
</tr>
<tr>
<td>7. Construction contracts</td>
<td>12 years</td>
</tr>
<tr>
<td>8. Loan agreements</td>
<td>3 years after expiration of loan period or repayment, whichever is first*</td>
</tr>
<tr>
<td>9. Payroll records</td>
<td>3 years*</td>
</tr>
</tbody>
</table>

* Records pertaining to construction or purchase of additional plant equipment or replacement of plant equipment should be retained for 12 years.

(d) All books of account and related records as described in this subdivision shall be made available for examination within New York State, upon reasonable notice, in not to exceed 15 days.

(e) Exemptions and prohibitions.

1. No franchising municipality or local governmental unit shall prescribe any system of accounts for use by a cable television company. (This paragraph shall not be construed as preventing a franchising municipality or local governmental unit from requiring financial or other data and/or reports to satisfy its informational needs.)

(f) Recordkeeping requirements--specified companies. Any person who is a cable television company and files a consolidated AFR or who excludes cable television activities originating outside of New York State, pursuant to section 899.82 of this Part, or excludes activities arising from noncable television activities originating within New York State from inclusion on part II of its AFR, pursuant to section 899.83 of this Part, shall maintain its books and records so that the activities of each company are separately identifiable.
899.21 Accounts.

(a) All work papers used in calculating account balances and transaction totals shall be permanently maintained as part of the general ledger.

(b) If account balances and transaction totals are not posted directly to the accounts but are posted from entries or totals contained in another system of accounts, such books, including general and subsidiary ledgers and supporting books and records shall be preserved as long as the books of account prescribed by the URS are preserved.

(c) All reports shall reflect the accrual basis of accounting. Generally accepted accounting principles shall be used in establishing the accounting treatment of any financial transaction, except that the commission may require such accounting treatment as will yield information necessary to a proper discharge of the commission's responsibilities.

899.80 Filing of financial reports—general. By not later than 90 days following the close of its fiscal year, every cable television company, except a cable television company which is one solely by reason of its ownership or control of another cable television company, shall file an annual financial report with the commission as described in sections 899.81-899.83 of this Part.

899.81 Selection of fiscal year. A cable television company may select any 12-month period as its fiscal year for purposes of this Part. No cable television company may change such fiscal year without having first obtained the written permission of the commission.

899.82 Different reports to be filed.

(a) Every cable television company required to file an annual financial report shall file form AFR-1 using Generally Accepted Accounting Principles (GAAP) except as provided in subdivisions (b) and (d) of this section.

(b) Except as provided in subdivision (d) of this section, every cable television company having less than $1,000,000 but $500,000 or more of gross annual revenues shall file form AFR-2 using GAAP.

(c) Except as provided in subdivision (d) of this section, every cable television company having less than $500,000 of gross annual revenues shall file form AFR-3 unless a consolidated report is required, in which case form AFR-1 shall be filed using GAAP.

(d) Any cable television company may file form AFR-1 in lieu of form AFR-2 or form AFR-3.

(e) Any person subject to the jurisdiction of the commission may be required to file special financial reports, or other reports, in such form and manner as the commission may from time to time prescribe.

(f) Any group of affiliated cable television companies may elect to file a consolidated AFR starting on or after January 1, 1983. Notice shall be given to the commission, concurrently with the first consolidated AFR filed, of all companies included in the consolidation and of any companies excluded, and the reason for such exclusion. All affiliated cable television companies are eligible to file a consolidated AFR provided that:
(1) the requirements of section 899.83 of this Part are met;
(2) all cable television companies meeting the requirements of section 899.83 of this Part shall be included in the consolidated report;
(3) only form AFR-1 shall be filed;
(4) an election to file a consolidated AFR may not be revoked without written permission of the Commission.

899.83 Nature of filed reports.
(a) All financial reports shall accurately and clearly disclose all financial transactions, account balances and such other information as may be required, and all such data shall be set forth in accordance with this Part and the instructions specified on the report forms.
(b) Financial reports, statements or schedules required to be prepared on a consolidated basis:
   (1) shall exclude any company whose fiscal year is more than 93 days different from that of its parent.
   (2) may exclude the account balance and transaction totals of any company where:
      (i) the parent is authorized by the Securities and Exchange Commission to exclude such company from reports submitted to that commission;
      (ii) such company is engaged in operations which are totally unrelated to the operations of the cable television company;
      (iii) the investment of the parent in such subsidiary is of a temporary nature;
      (iv) The operations of such company are trifling and have no material effect on the consolidated operations from an accounting viewpoint.
   (c) Whenever a cable television company excludes from the consolidated portion of its report account balances and transaction totals in accordance with subdivisions (a) and (b) of this section, it shall attach to said report a separate financial report for the excluded company. The separate report shall be in the same form and detail as the consolidated portion of the cable television company's report.
   (d) Every cable television company that is affiliated with another cable television company is eligible to file a consolidated AFR. For purposes of this section, affiliation shall be defined as having 100 percent ownership in another cable television company operating in whole or part of New York State or being 100 percent owned by such a company.
   (e) Every cable television company that operates in whole or part, in a state other than New York, or which has significant noncable television activities shall only report its New York State cable television activities on part II of its AFR. All other activities, including New York State cable television activities, shall be included on part III of its AFR. For purposes of this section, significant activity shall be defined as:
      (1) any noncable television related activity which generates more than 10 percent of gross annual revenues or expenses, or which requires more than 10 percent of a company's assets, or is responsible for more than 10 percent of its liabilities; and
      (2) can reasonably be expected to be of a continuing nature.
   (f) The commission may order the filing of individual annual financial reports instead of or in addition to a consolidated financial report if it determines that its informational needs require such filing.

899.90 Obligation of cable television company to notify commission.
(a) A person who is a cable television company and ceases to be so shall promptly notify the commission of that fact and file, no later than 30 days after it ceases to be a cable television company, a final financial report in the form and manner prescribed by the commission.

(b) A person who is a cable television company and sells or otherwise divests itself of all, or a substantial part of a cable television system or another cable television company shall promptly notify the commission of that fact and file, no later than 30 days after the sale or divestiture is completed, a final financial report in the form and manner prescribed by the commission. For the purposes of this subdivision, the phrase sells or otherwise divests shall include not only the sale of property but also changes of ownership or control.

(c) Every cable television company shall notify the commission, and continue to keep the commission informed, whenever a significant change in the financial position of such company occurs or is about to occur. For purposes of this section, a significant change in the financial position shall include, but not be limited to:

(1) inability to meet current payments as they come due;
(2) contemplation of filing a petition in bankruptcy or for a court-ordered reorganization;
(3) suspension of corporate stock from trading on a regulated exchange by action of the stock exchange or the Securities and Exchange Commission; and
(4) notification that financial reports or practices are under investigation by any government agency, Federal or State, but this shall not include tax audits or similar audits or investigations which are conducted periodically and are not unusual in scope or nature.

CHAPTER VIII
(Reserved)

CHAPTER X
CERTIFICATION OF MAJOR ELECTRIC GENERATING FACILITIES
Subchapter A Regulations Implementing Article 10 of the Public Service Law as Enacted by Chapter 388, Section 12, of the Laws of 2011

PART 1000 General Procedures
1001 Content of an Application
1002 Compliance Filings
Section 1000.1 Purpose and applicability.

The purpose of this Subchapter A is to establish procedures for applications for Certificates and other matters affecting the construction or operation of major electric generating facilities pursuant to Article 10 of the Public Service Law. It also establishes procedures for matters affecting the construction or operation of major electric generating facilities pursuant to former Articles VIII and X of the Public Service Law.

For Certificate revisions, amendments, revocations, suspensions, transfers and compliance matters for major electric generating facilities having Certificates granted pursuant to former Articles VIII and X of the Public Service Law, the provisions of this Subchapter A will be applied in a manner that is consistent with former Article VIII of the Public Service Law remaining operative and continuing in full force and effect with regard to applications filed on or before December 31, 1978, and former Article X of the Public Service Law remaining operative and continuing in full force and effect with regard to applications filed on or before December 31, 2002, except that any such Certificate revisions, amendments, revocations, suspensions, transfers and compliance matters involving increase of capacity by more than 25 megawatts are subject to the procedures for applications for Certificates and other matters affecting the construction or operation of major electric generating facilities pursuant to Article 10 of the Public Service Law without regard to former Articles VIII and X of the Public Service Law.

Section 1000.2 Definitions.

In addition to the definitions referred to, and terms defined in Part 1 of Subchapter A of Chapter I of this Title, unless the context otherwise requires, the following terms have the meanings specified:

(a) Adjacent or contiguous. When used in the context of PSL section 165(4)(b), located on the same parcel of real property, on separate parcels of real property sharing a common border, or on separate parcels
of real property separated by no more than 500 feet.

(b) The New York State Adirondack Park Agency (APA).

(c) Applicant. Any person who is required to have submitted or who submits a Public Involvement Program plan to the DPS pursuant to Section 1000.4 of this Subchapter or who in fact submits an application for a Certificate to the Board under this Subchapter, or who holds a Certificate.

(d) Associate examiner. An administrative law judge appointed by DEC.

(e) Base nameplate generating capacity:
   (1) for generating facilities in commercial operation on or before August 4, 2012, their nameplate generating capacity as of August 4, 2012;
   (2) for generating facilities commencing commercial operations after August 4, 2012, their nameplate generating capacity as of the date of commencement of commercial operations;
   (3) for generating facilities that increased their nameplate generating capacity as a result, in whole or in part, of receiving a Certificate after August 4, 2012, their nameplate generating capacity as of the date of commencement of commercial operations of the increased capacity as a result of the certificate. Incremental increases in generating capacity after August 4, 2012 not made as a result of receiving a certificate shall not increase the base nameplate generating capacity.

(f) Board. The New York State Board on Electric Generation Siting and the Environment.

(g) Certificate. A certificate of environmental compatibility and public need authorizing the construction and operation of a major electric generating facility.

(h) Commission. The New York State Public Service Commission.

(i) Compliance filing. A document prepared by or on behalf of an Applicant that describes how the applicant will comply with the terms, conditions, limitations and modifications on the construction and operation of a facility granted a certificate by the board and which may, at the applicant's option, consist of phased submissions.

(j) Ag&Mkts. The New York State Department of Agriculture and Markets.

(k) DEC. The New York State Department of Environmental Conservation.

(l) DOH. The New York State Department of Health.

(m) DOS. The New York State Department of State.

(n) DPS. The New York State Department of Public Service.

(o) ECL. The Environmental Conservation Law.

(p) Fuel Waste Byproduct. Waste or combination of wastes produced as a byproduct of generating electricity from a major electric generating facility in an amount which requires storage or disposal and, because of its quantity, concentration, or physical, chemical or other characteristics, may pose a substantial present or potential hazard to human health or the environment.

(q) Interconnections. Offsite electric transmission lines, fuel gas transmission lines, fuel oil transmission lines, water supply lines, waste water lines, communications lines, steam lines, stormwater drainage lines, and appurtenances thereto, installed in New York State connecting to and servicing the site of a major electric generating facility, that are not subject to the commission's jurisdiction under PSL article VII, not including service lines designed and sized for household type usage such as for bathrooms or ordinary telephones.
Local actions not for the construction or operation of the proposed major electric generating facility. Local action requirements that remain subject to local approval processes outside of the article 10 process and may or may not also require local agency compliance with the State Environmental Quality Review Act (SEQRA), including local approvals required for the subdivision of land; extensions of special improvement or benefit assessment districts; tax assessment or payments in lieu of taxes determinations; consents for the extension of utility franchises to provide station power, private water company service, or similar services to the affected property; the withdrawal or consumption of water from a municipal supply; the discharge of sewage or stormwater into a municipal system; the setting and payment of hook-in fees, water rates, sewer rents and similar capital and consumption charges; industrial development agency leases; the overt grant of property rights or other privileges that would require an affirmative action by a municipality; and other similar approvals.

(s) Local party. Any person residing in a community who may be affected by the proposed major electric generating facility at the proposed location, or any alternative location identified, who is a party to the proceeding. For the purposes of this definition, the term residing shall include individuals having a dwelling within a community who may be affected.

(t) Local procedural requirements. County, city, town and village administrative process requirements, including application, hearing, and approval requirements regarding site plans, special zoning exceptions, electrical, plumbing, and building permits, wetlands, blasting, tree cutting, excavation, fill, historic preservation, flood damage prevention, storm water management, highway work, street opening, and traffic safety permits, and other similar requirements.

(u) Local substantive requirements. County, city, town and village substantive standards, including zoning use restrictions; zoning lot, setback, bulk, and height requirements; noise limits; electric, plumbing, building, and flood zone construction and materials codes; noise limits; historic preservation requirements; architectural style and color requirements; limits on construction activity times and duration; road weight limits; cut and fill limits; blasting practices requirements; tree preservation requirements; wetland preservation requirements; landscaping requirements; site waste/construction debris disposal/recycling requirements; traffic maintenance and safety requirements; storm water management requirements; paving, curbing, and subgrade requirements; restrictions on date, time, duration and method of street openings; traffic maintenance and safety requirements; separation and depth of cover requirements; tap methods, materials, and sizing requirements; restoration requirements for road subgrade, base and pavement; and other similar requirements.

(v) Major electric generating facility. An electric generating facility with a nameplate generating capacity of 25 megawatts or more, including electric transmission line and fuel gas transmission line interconnections that are not subject to review under article VII of the PSL, and including ancillary features located on the facility site such as roads, railroads, switchyards, fuel or energy storage or regulation facilities, solid waste disposal areas, waste treatment and disposal facilities, and similar facilities.

(w) Map. A two-dimensional representation of a portion of the earth's
surface, which may be in paper or digital form, provided that digital data used for map generation or geographic analysis, are made available (in an appropriate format) to parties upon request.

(x) Modification. An amendment of an application or certificate that is not a revision.

(y) Modify. When used in the context of PSL section 165(4)(b), alterations that increase by more than 25 MW the base nameplate generating capacity of an existing electric generating facility already having a nameplate generating capacity of 25 MW or more.

(z) OPRHP. The New York State Office of Parks, Recreation and Historic Preservation.

(aa) Permanent board. The New York State Board on Electric Generation Siting and the Environment, exclusive of ad hoc members.

(ab) Person. Any individual, corporation, public benefit corporation, political subdivision, governmental agency, municipality, partnership, cooperative association, trust or estate.

(ac) Plain language. Eighth grade reading level or language which is easily understandable to the lay public to the maximum extent possible.

(ad) Presiding examiner. A presiding officer appointed by DPS.

(ae) Private facility applicant. An applicant that does not have the power of eminent domain, either directly or indirectly; a generation facility developer partnering or intending to partner with an industrial development agency or public authority for the acquisition of any land for the facility or the Interconnections has an indirect power of eminent domain for the purposes of this definition; a generation facility developer selling or intending to sell electric power, capacity or ancillary services to an industrial development agency or public authority does not have an indirect power of eminent domain for the purposes of this definition.

(af) PSL: The Public Service Law.

(ag) Public information coordinator. An office created within DPS to ensure that the public and interested parties are fully assisted and advised in participating in the article 10 process.

(ah) Public Involvement Program (PIP): A series of coordinated activities that provides a variety of effective public participation opportunities by which public concerns can be identified as early as possible throughout the various stages of the decision-making process, ensures communication between stakeholders and an applicant, and results in education of the public as to the specific proposal and the article 10 process.

(ai) Public rights of way. The entire area within the property boundary lines of those strips of land held in county, city, town or village ownership for the use of all of the public upon which county, city, town or village roadways, highways or streets are built and maintained for the passage of motorized vehicles.

(aj) Related facilities. The interconnections, all offsite ancillary facilities, and all onsite and offsite ancillary equipment, including mobile or movable equipment, associated with the major electric generating facility.

(ak) Revision. An amendment of an application or certificate proposing a change in the major electric generating facility likely to result in:

(i) any significant adverse environmental impacts of such facility, determined according to 6 NYCCR section 617.7(c), in comparison to such impacts of the facility as proposed or approved; or
(ii) the identification of an adverse environmental impact not included in the application.

(al) Revocation. Termination of the rights granted in a certificate.

(am) Secretary. The secretary to the commission.

(an) Stakeholders. Those persons who may be affected or concerned by any issues within the board's jurisdiction relating to the proposed major electric generating facility and any decision being made about it.

(ao) State actions not for the construction or operation of the proposed major electric generating facility. State action requirements that remain subject to state approval processes outside of the article 10 process and may also require state agency compliance with the State Environmental Quality Review Act (SEQRA), including commission approvals of incorporations and franchises, financings and transfers pursuant to PSL sections 68, 69 and 70; the overt grant of property rights or other privileges that would require an affirmative action by a state agency or authority; approvals for the subdivision of land in the Adirondack Park where the APA has subdivision jurisdiction; and other similar approvals.

(ap) State procedural requirements. State agency or authority administrative process requirements, including application, hearing, permit approval, and other similar requirements.

(aq) State substantive requirements. State agency or authority substantive standards set by law or regulation, and other similar requirements, including, for the sake of an example, the wetlands weighing standards set forth in 6 NYCRR Part 663.

(ar) Study area. An area generally related to the nature of the technology and the setting of the proposed site. In highly urbanized areas, the study area may be limited to a one-mile radius from the property boundaries of the facility site, interconnections, and alternative location sites. For large facilities or wind power facilities with components spread across a rural landscape, the study area shall generally include the area within a radius of at least five miles from all generating facility components, interconnections and related facilities and alternative location sites. For facilities in areas of significant resource concerns, the size of a study area shall be configured to address specific features or resource issues.

(as) Suspension. Temporary deprivation of some or all of the rights granted in a certificate.

1000.3 Adoption of procedures by reference.

Unless a provision of PSL Article 10, Section 306 of the State Administrative Procedure Act, or this Part conflicts therewith, the Rules of Procedure of the Public Service Commission (contained in Subchapter A of Chapter I of this Title) that are in force on the effective date of this Part shall apply in connection with each certification proceeding under PSL Article 10. When such regulations indicate that the Commission is the decision maker, such reference shall be deemed to apply to the Board.

1000.4 Public involvement.

(a) To ensure throughout the Article 10 process that the Board is fully aware of the concerns of stakeholders and that the Board's consideration of an application is not delayed, it is the Board's policy to require applicants to actively seek public participation throughout the planning, pre-application, certification, compliance, and
implementation process. It is also the Board's policy to encourage stakeholders to participate at the earliest opportunity in the review of the applicant's proposal so that their input can be considered.

(b) To ensure that the public and interested parties are fully assisted and advised in participating in the Article 10 process, an office of public information coordinator has been created within DPS. Public information coordination shall include:

1. implementing measures that assure public participation in matters before the Board;
2. responding to inquiries from the public for information on how to participate in matters before the Board;
3. assisting the public in requesting records relating to matters before the Board;
4. ensuring all interested persons are provided with a reasonable opportunity to participate at public meetings relating to matters before the Board;
5. ensuring that all necessary or required documents are available for public access on the DPS website; and
6. any other duties as may be prescribed by the Board, after consultation with DPS.

(c) Each Applicant shall conduct a Public Involvement Program that includes:

1. consultation with the affected agencies and other stakeholders;
2. pre-application activities to encourage stakeholders to participate at the earliest opportunity;
3. activities designed to educate the public as to the specific proposal and the Article 10 review process, including the availability of funding for municipal and local parties;
4. the establishment of a website to disseminate information to the public;
5. notifications; and
6. activities designed to encourage participation by stakeholders in the certification and compliance process.

(d) Applicants shall submit a proposed Public Involvement Program plan in writing to DPS for review as to its adequacy at least 150 days prior to the submittal of any preliminary scoping statement, except that for good cause shown upon motion, the Secretary may reduce the minimum number of days to less than 150. An applicant's obligations regarding public involvement commence with this requirement. The plan shall indicate the steps the applicant commits to take to inform, engage, and solicit input from the local community, general public, and other stakeholders, including a schedule indicating when the steps will be taken. The plan shall also identify:

1. any language other than English spoken according to United States Census data by 5,000 or more persons residing in any 5-digit zip code postal zone in which any portion of such zone is located within the Study Area for the facility; and
2. any language other than English spoken by a significant population of persons residing in close proximity to the proposed facility, alternative locations and interconnections not captured by paragraph (1) of this subdivision.

(e) DPS shall have 30 days after the date of the Applicant's submittal to make written comments on the adequacy of the Public Involvement Program plan. If deemed inadequate, DPS, in its comments, shall make
specific written recommendations as to what measures are necessary to make the Public Involvement Program plan adequate. Thereafter, the Applicant shall within 30 days consider the measures recommended by DPS and, in a final written Public Involvement Program plan filed with the Secretary, shall as to each specific measure either revise the Public Involvement Program plan to incorporate the DPS recommendation, or provide a written explanation as to why the Applicant is not incorporating the DPS recommendation.

(f) The Public Involvement Program plan for any potential application likely to require one or more consultations with operators of airports or heliports pursuant to Subdivision (f) of Section 1001.25 shall include as a component of the plan outreach to such operators to preliminarily inform them of the proposed facility and its location prior to the submission of the preliminary scoping statement.

1000.5 Pre-application procedures.

(a) This Section applies to the required preliminary scoping statement and any stipulation setting forth an agreement on any aspect of the preliminary scoping statement and/or the methodology or scope of the studies or program of studies to be conducted in support of the application. It provides for consultation between the Applicant, the public, affected agencies, and other stakeholders.

(b) Applicants are required to consult with the public, affected agencies, and other stakeholders (providing information to and effective opportunities for input from the public, affected agencies, and other stakeholders concerning the proposal).

(c) No less than 90 days before the date on which an Applicant files an application, the Applicant shall file an electronic copy and ten paper copies of a preliminary scoping statement with the Board by filing it with the Secretary at the Albany, New York Offices of the DPS and shall serve copies specifying thereon the date on or about which the preliminary scoping statement is to be filed, as follows:

(1) four paper copies on DEC at its central office and three paper copies on each affected DEC regional office;

(2) two paper copies each on the commissioner of health, the chair of the New York State Energy Research and Development Authority, and the commissioner of economic development;

(3) one paper copy each on the chief executive officer of each municipality in which any portion of such facility is to be located as proposed or in any alternative location listed;

(4) one paper copy each on Ag&Mkts, DOS, the attorney general, the department of transportation, and OPRHP;

(5) one paper copy each on a library serving the district of each member of the state legislature in whose district any portion of the facility is to be located as proposed or in any alternative location listed;

(6) one paper copy on the APA if such facility or any portion thereof as proposed or in any alternative location listed is located within the Adirondack park, as defined in subdivision one of section 9-0101 of the ECL;

(7) one electronic copy on the public information coordinator (for placement on the DPS website); and

(8) one paper copy on the chief executive officer of any other agency or municipality that would (absent PSL Article 10) have approval
authority with respect to any aspect of the proposed facility or interconnections necessary to serve the proposed facility.

(d) No less than three days before the date on which an applicant files a preliminary scoping statement, notice shall be given by the applicant to all persons residing in each municipality in which any portion of the facility is proposed to be located and in which any alternative location identified is located, and each other municipality that would (absent PSL Article 10) have approval authority with respect to any aspect of the proposed facility, interconnections or related facilities necessary to serve the proposed facility. Notice shall be given by the publication of a summary of the preliminary scoping statement in such newspaper or newspapers, including local community and general circulation newspapers, as will serve substantially to inform the public of such preliminary scoping statement and proposal, in plain language, in English and in any other language spoken according to the most recent United States Census data available by 5,000 or more persons residing in any 5-digit Zip code postal zone in which any portion of such zone is located within the Study Area for the facility. The notice and summary of the preliminary scoping statement shall describe:

(1) the proposed facility and its location;
(2) the range of potential environmental and health impacts of the construction and operation of the facility and of each pollutant that will be emitted or discharged by the facility;
(3) the application and review process;
(4) the amount of pre-application funds available for municipal and local parties; and
(5) shall designate a contact person, with telephone number, e-mail address and mailing address, from whom information will be available on a going-forward basis as well as contact information for the public information coordinator and DPS website.

The notice and summary of the preliminary scoping statement shall also include a statement advising the public how and where persons wishing to receive all notices concerning the proposed facility can file a request with the Secretary to subscribe to receive such notices, including but not limited to notices regarding any proposed pre-application stipulations, and explaining how to utilize the DPS website to access electronic documents concerning the proposed facility.

(e) No less than three days before the date on which an applicant files a preliminary scoping statement, the applicant shall also serve a copy of the notice/summary of the preliminary scoping statement upon (1) each member of the state legislature in whose district any portion of such facility is proposed to be located or in which any alternative location identified is located, or in which any interconnections or related facilities necessary to serve the proposed facility are proposed to be located; (2) in New York City, upon the Borough President of any affected borough, and upon the Community Board of any affected areas served by a Community Board; and (3) persons who have filed a statement with the secretary within the past twelve months that they wish to receive all such notices concerning proposed or alternate facilities for a particular area or municipality.

(f) The filing of the preliminary scoping statement with the Secretary shall be accompanied by proof of (a) service of the required copies of the preliminary scoping statement on the persons and entities required to be served enumerated above; (b) service of the required notice of
preliminary scoping statement on the persons and entities required to be served enumerated above; and (c) proof of publication of the required notice of preliminary scoping statement.

(g) Within 21 days after the filing of the preliminary scoping statement, any person, agency or municipality may submit comments on the preliminary scoping statement by serving such comments on the applicant and filing a copy with the secretary. Within 21 days after the closing of the comment period, the applicant shall prepare a summary of the material comments and its reply thereto, and file and serve its summary of comments and its reply in the same manner as it files and serves the preliminary scoping statement pursuant to Subdivision (c) of this section.

(h) Upon the filing of a preliminary scoping statement, DPS shall designate a presiding examiner. DPS may also designate additional hearing examiners to assist the presiding examiner in all duties of the presiding examiner.

(i) The presiding examiner shall, among other duties, mediate any issue(s) relating to any aspect of the preliminary scoping statement and the methodology or scope of any study or program of studies concerning which agreement has not been reached and receive any stipulation setting forth any agreement that is reached. If the presiding examiner determines that any language other than English not captured by subdivision (d) of this section is spoken by a significant population of persons residing in close proximity to the proposed facility, alternative locations, interconnections and related facilities and that notice in such additional languages is warranted under the circumstances, the presiding examiner may require the applicant to publish the notice and summary of the preliminary scoping statement in such additional languages. The presiding examiner shall, within no less than 22 days but no more than 60 days of the filing of a preliminary scoping statement, convene a meeting of interested parties in order to initiate the stipulation process.

(j) After the presiding examiner has determined that funds to assure early and effective public involvement have been allocated to municipal and local parties, the applicant may commence stipulations consultations and seek agreement by stipulation with any interested person, agency or municipality including, but not limited to, the staff of DPS, DEC, and DOH, as appropriate, as to any aspect of the preliminary scoping statement and the methodology or scope of any study or program of studies made or to be made to support the application. Before any such stipulation is finalized:

(1) a copy of the proposed stipulation shall be served by the applicant on the presiding examiner and on the persons who participated in the stipulations consultation process, and shall be filed and served by the applicant in the same manner as it files and serves the preliminary scoping statement pursuant to Subdivision (c) of this section;

(2) the applicant shall serve a copy of a notice it has prepared summarizing the contents of the proposed stipulation upon:

(i) each member of the state legislature in whose district any portion of such facility is proposed to be located or in which any alternative location identified is located, or in which any interconnections or related facilities necessary to serve the proposed facility are proposed to be located; and
(ii) persons who have filed a statement with the secretary within the past twelve months that they wish to receive all such notices concerning facilities in the area in which any portion of such facility is proposed to be located or in which any alternative location identified is located, or in which any interconnections or related facilities necessary to serve the proposed facility are proposed to be located;

(3) a copy of a proposed notice shall be prepared by the Applicant and served by the Applicant on the presiding examiner. Thereafter, the presiding examiner shall arrange for the public to be given notice and afforded a reasonable opportunity to submit comments on the stipulation before it may be executed by the interested parties.

(k) Any party that executed a pre-application stipulation may not raise objections at the hearing as to the methodology or scope of any study or program of studies performed in compliance with such stipulation. Any other party may timely raise objections at the hearing as to the methodology or scope of any study or program of studies performed in compliance with such stipulation.

(l) The preliminary scoping statement shall contain:

(1) as much information as is reasonably available concerning the proposed facility, generally in the form (though in less detail) that it will appear in the application;

(2) a preliminary scope of an environmental impact analysis containing a brief discussion, on the basis of reasonably available information, of the following items:

(i) a brief description of the proposed facility and its environmental setting;

(ii) potentially significant adverse environmental and health impacts resulting from the construction and operation of the proposed facility including also an identification of particular aspects of the environmental setting that may be affected, including any material impacts or effects identified in consultations by the public, affected agencies, and other stakeholders, and a responsive analysis by the Applicant as to those issues identified in consultations;

(iii) the extent and quality of information needed for the application to adequately address and evaluate each potentially significant adverse environmental and health impact, including existing and new information where required, and the methodologies and procedures for obtaining the new information;

(iv) for proposed wind-powered facilities, proposed or on-going studies during pre-construction activities and a proposed period of post-construction operations monitoring for potential impacts to avian and bat species;

(v) a description of how the applicant proposes to avoid adverse impacts to the environment and health;

(vi) for those adverse environmental and health impacts that cannot be reasonably avoided, an identification of measures proposed to mitigate such impacts;

(vii) where it is proposed to use petroleum or other back-up fuel for generating electricity, a discussion and/or study of the sufficiency of the proposed on-site fuel storage capacity and supply;

(viii) a description and evaluation of reasonable and available alternative locations for the proposed facility, including a description of the comparative advantages and disadvantages of the proposed and alternative locations, except that a private facility applicant may
limit its description and evaluation of alternative locations to parcels owned by, or under option to, such private facility applicant or its affiliates;

(ix) if the proposed facility affects any land or water use or natural resource of the coastal area and federal authorization or funding is necessary, a preliminary analysis of the consistency of the proposed facility with the enforceable policies of the New York State coastal management program or, where the action is in an approved local waterfront revitalization program area, with the local program;

(x) a statement of the reasons why the primary proposed location and source, taking into account the potentially significant and adverse environmental impacts, is best suited, among the alternatives, including a "no action" alternative, to promote public health and welfare, including the recreational and other concurrent uses that the site may serve, except that a private facility applicant may limit its description and evaluation of alternative locations to parcels owned by, or under option to, such private facility applicant or its affiliates and its description and evaluation of alternative sources to those that are reasonable alternatives to the proposed facility that are feasible considering the objectives and capabilities of the sponsor;

(xi) a preliminary identification of the demographic, economic and physical attributes of the community in which the facility is proposed to be located and in which any alternative location identified is located, and a preliminary environmental justice evaluation of significant and adverse disproportionate environmental impacts of the proposed facility and any alternative facility identified that would result from construction and operation considering, among other things, the cumulative impact of existing sources of emissions of air pollutants and the projected emission of air pollutants from the proposed or alternative facility in a manner that is in accordance with any requirements for the contents of an Article 10 preliminary scoping statement contained in 6 NYCRR Part 487 promulgated by the DEC for the analysis of environmental justice issues; and

(xii) an identification of any other material issues raised by the public and affected agencies during any consultation and the response of the applicant to those issues.

(3) an identification of all other state and federal permits, certifications, or other authorizations needed for construction, operation or maintenance of the proposed facility;

(4) a list and description of all state laws and regulations issued thereunder applicable to the construction, operation or maintenance of the proposed facility and a preliminary statement demonstrating an ability to comply;

(5) a list and description of all local laws, and regulations issued thereunder, applicable to the construction, operation, or maintenance of the proposed facility and a statement either providing a preliminary assessment of an ability to comply or indicating specific provisions that the applicant will be requesting the Board to elect not to apply, in whole or in part, and a preliminary explanation as to why the Board should elect not to apply the specific provisions as unreasonably burdensome in view of the existing technology or the needs of or costs to ratepayers whether located inside or outside of such municipality;

(6) a description of the applicant, its formation, status, structure, holdings, affiliate relationships, powers (including whether it has or
will seek to obtain the power of eminent domain, either directly or indirectly), franchises and consents;

(7) a description of the applicant's property rights and interests or those it proposes to acquire to all lands of the proposed facility and any private or public lands or private or public streets, highways or rights-of-way crossed by any interconnections necessary to serve the facility such as, but not limited to, electric lines, gas lines, water supply lines, waste water or other sewage treatment facilities, communications and relay facilities, access roads, rail facilities, or steam lines; and

(8) any other information that the Applicant may deem to be relevant.

1000.6 Filing and service of an application.

(a) The Applicant shall file an electronic copy and ten paper copies of the application with the Board by filing it with the Secretary at the Albany, New York Offices of the DPS and shall serve copies specifying thereon the date on or about which the application is to be filed, as follows:

(1) four paper copies on DEC at its central office and three paper copies on each affected DEC regional office;

(2) two paper copies each on the commissioner of health; the chair of the New York State Energy Research and Development Authority, and the commissioner of economic development;

(3) one paper copy each on the chief executive officer of each municipality in which any portion of such facility is to be located as proposed or in any alternative location listed, and in New York City, upon the Borough President of any affected borough, and upon the Community Board of any affected areas served by a Community Board;

(4) one paper copy each on the Ag&Mkts, DOS, the attorney general, the department of transportation, and OPRHP;

(5) one paper copy each on a library serving the district of each member of the state legislature in whose district any portion of the facility is to be located as proposed or in any alternative location listed;

(6) one paper copy on the APA if such facility or any portion thereof as proposed or in any alternative location listed is located within the Adirondack park, as defined in subdivision one of section 9-0101 of the ECL;

(7) one electronic copy on the public information coordinator (for placement on the DPS website); and

(8) one paper copy on the chief executive officer of any other agency or municipality that would (absent PSL Article 10) have approval authority with respect to any aspect of the proposed facility or interconnections or related facilities necessary to serve the proposed facility.

(b) At the beginning of each section of the application, the Applicant shall cite the applicable Section of Part 1001 or 1002 of this Subchapter that is addressed.

(c) The application shall be accompanied by:

(1) the testimony of each expert witness whom the Applicant intends to offer at the hearing, or panels of witnesses required by PSL Section 165, which testimony shall include the qualifications of the witness or panel and specify any portion of the application for which such witness or panel was responsible or supports;
(2) an affidavit of service showing that a copy of the application and accompanying documents were served on all those required to be served;

(3) a copy of the notice required pursuant to Section 1000.7(a) of this Part;

(4) any appropriate motion; and

(5) a statement of the names, addresses, telephone numbers and E-mail addresses of the applicant and its attorney or other representative.

1000.7 Publication and content of notices.

(a) Publication of required notices shall be satisfied by publication both in the newspaper(s) designated for publication of official notices of each municipality in which the proposed or any alternative location site required to be described in the application is located, and in the newspaper of largest circulation in the county(ies) in which the proposed or any such alternative location site is located, except that in the case of an amendment or transfer of a Certificate, the appropriate site is that of the authorized facility. If the notice is intended to fulfill notice requirements for permits to be issued by the DEC pursuant to Federal recognition of State authority, or pursuant to federally delegated or approved authority, in accordance with the Clean Water Act, the Clean Air Act and the Resource Conservation and Recovery Act, and permits pursuant to Section 15-1503, Title 9 of Article 27, and Articles 17 and 19 of the ECL, DEC and the DEC regulations should be consulted for additional requirements.

(b) No less than three days before the date on which an applicant files the application, the applicant shall provide notice to:

(1) all persons residing in each municipality in which any portion of such facility is proposed to be located, and in which any alternative location identified is located, and each other municipality that would (absent PSL Article 10) have approval authority with respect to any aspect of the proposed facility, interconnections or related facilities necessary to serve the proposed facility, by the publication of a summary of the application, and the date on or about which it will be filed, in such newspaper or newspapers, including local community and general circulation newspapers, as will serve substantially to inform the public of such application, in plain language, in English and in any other language spoken according to United States Census data by 5,000 or more persons residing in any 5-digit Zip code postal zone in which any portion of such zone is located within the Study Area for the facility. Notices published in languages other than English shall be published in newspapers, if any are available, serving the appropriate language community.

(2) each member of the state legislature in whose district any portion of the facility is to be located as proposed or in any alternative location listed; and

(3) persons who have filed a statement with the secretary within the past twelve months that they wish to receive all such notices concerning facilities in the area in which the facility is to be located as proposed or in any alternative location listed.

(c) If the presiding examiner determines that any language other than English not captured by paragraph (1) of subdivision (b) of this section is spoken by a significant population of persons residing in close proximity to the proposed facility, alternative locations, interconnections or related facilities and that notice in such
additional languages is warranted under the circumstances, the presiding examiner may require the applicant to publish the notice and summary of the application in such additional languages.

(d) Notices shall be:
(1) in display format; and
(2) in no smaller than 10 point type or, if only smaller type is available, in the largest type that is available.

(e) The notice(s) shall include:
(1) a summary of the application describing the proposed facility, its location, and the range of potential environmental and health impacts of the construction and operation of the facility and of each pollutant that will be emitted or discharged by the facility;
(2) a map(s) at a size and level of detail appropriate to substantially inform the public of the location of the proposed site and any alternative location sites listed as reasonable and available in the application, unless the publishing newspaper determines that inclusion of a map is infeasible;
(3) the date on or about which the application will be filed;
(4) a statement that a copy of the application will be served on the Chief Executive Officer of each municipality in which any portion of a site required to be shown pursuant to paragraph (2) hereof is located;
(5) a statement that the application, when filed, may be examined during normal business hours at the Offices of the DPS in Albany, New York, giving the address thereof, and at specified public locations in the vicinity of the proposed site;
(6) text explaining the application and review process including the funding process for municipal and local parties and the availability of funds for municipal and local parties;
(7) text informing the public how and where persons wishing to receive all notices concerning the proposed facility can file a statement with the secretary to subscribe to receive such notices;
(8) text explaining how to access from the DPS website electronic documents concerning the Board's review of the proposed facility;
(9) except where the applicant is a private applicant, a statement that PSL Article 10 permits the Board to authorize a location for the facility different from the location(s) described in the notice;
(10) the names, addresses, telephone numbers and E-mail addresses of a representative of the applicant and contact information for the public information coordinator and DPS website;
(11) if a water quality certification pursuant to Section 401 of the Federal Clean Water Act will be requested from the Board as part of the application, a brief explanation of the reasons for such request; and
(12) If a coastal consistency concurrence is required by Section 307 of the federal Coastal Zone Management Act, a brief explanation of the status of the applications for federal authorization and a DOS consistency determination.

(f) If an alternative to the applicant's proposal that was not listed as reasonable and available in the application is subsequently proposed by any party, the applicant shall give prompt notice of such alternative, unless the presiding examiner rules that such alternative is not reasonable and available or that further notice is unnecessary to substantially inform the public of the location of the proposed alternative. The notice shall include text and a map(s) at a size and level of detail to substantially inform the public of the alternative
(unless the publishing newspaper determines that inclusion of a map is infeasible) and the name, address, telephone number and the E-mail address of a representative of the party proposing such alternative from whom further information can be obtained.

(g) At any significant point in the certification process, the presiding examiner may require the applicant to publish a notice, as described in this Section, containing appropriate information, such as:

(1) a brief description of the significant events in the certification proceeding that have occurred and those that are expected to occur;

(2) a statement that the record of the proceeding may be examined during normal business hours at the Offices of the DPS in Albany, New York, giving the address thereof, and, where the presiding examiner has so required, at specified public locations in the vicinity of the proposed site; and

(3) a statement that any person may file comments for the Board's consideration.

(h) The Board, Secretary or Presiding Examiner may require an applicant to publish a notice of a public hearing or oral argument in such newspaper(s) and at such times as will serve to inform the general public of that hearing or oral argument.

(i) The applicant shall promptly notify the Presiding Examiner or the Secretary upon discovery of any inadvertent failure of publication or service of a notice or application under this Subchapter. The Presiding Examiner or the Secretary shall take such action as may be necessary to ensure fair treatment of a person aggrieved by such inadvertent failure.

(j) If the Presiding Examiner determines that any notice required in this Section was not sufficient to substantially inform potentially affected persons, the Presiding Examiner shall specify any additional steps that are necessary.

(k) Prior to the publication of any notice required by the Board, the Presiding Examiner, the Secretary, or these regulations, the applicant may submit a copy of its proposed notice to the Secretary or to the Presiding Examiner for approval.

(l) The applicant shall promptly file with the Secretary proof of the publication of any required notice.

1000.8 Water quality and coastal certification procedures.

(a) In accordance with Section 401 of the Clean Water Act, if construction or operation of a proposed major electric generating facility, its interconnections, or related facilities would result in any discharge into the navigable water of the United States and require a federal license or permit, the applicant is required to request and obtain a Water Quality Certification indicating that the proposed activity will be in compliance with water quality standards.

(1) Generally, the request for the Water Quality Certification shall be submitted accompanying the Article 10 application. However, in the event the related application for a Federal license or permit has not been submitted on or before the date of submission of the Article 10 application, the request for the water quality certification shall be submitted to the Board when an application for a Federal license or permit is made. If the request does not accompany the Article 10 application, the applicant shall provide a statement describing its plan for making such a request, including a timetable.

(2) A copy of all pertinent state and Federal permit applications
related to the Water Quality Certification shall be submitted along with the request for the Water Quality Certification.

(3) In support of any request for a Water Quality Certification, an applicant shall demonstrate compliance with the provisions referenced in 6 NYCRR Section 608.9. A request for a Water Quality Certification will not be considered valid until the applicant files with the Secretary a copy of its related federal permit application.

(4) Any applicant that applies for a federal license or permit that will require a Water Quality Certification shall provide the pertinent contact information for the district engineer of the U.S. Army Corps of Engineers or other federal lead agency to use in contacting the Board as to the applicable time period or any other issue.

(5) When an applicant or certificate holder has requested both a Water Quality Certification from the Board and permits from the U.S. Army Corps of Engineers or other federal lead agency, the Board or a designee will provide information to the district engineer or other federal lead agency as to whether circumstances require a period of time longer than the period specified in applicable federal regulations for the certifying agency to act on the request for certification in order to avoid a waiver. The Board shall issue, waive or deny such Certification within such applicable period after the filing of the application or other document in which the request is made, taking into account whether any federal agency from which the applicant or certificate holder has sought a license or permit to conduct any activity that may result in any discharge into the navigable waters has:

(i) advised the Board that such Certification must either be issued or denied within a specified shorter period or be waived; or

(ii) determined that such Certification may either be issued or denied within a specified longer period, not to exceed one year (based on information provided by a designee of the Board), or be waived.

(6) If it appears that the review of a request for a Water Quality Certification cannot be completed within the applicable period identified in paragraph (a)(5) of this section, the Board or a designee will deny the Certification without prejudice to a later request for Certification.

(7) The DPS Director of the Office of Energy Efficiency and the Environment is designated to act as the designee referenced in this section.

(8) If the request for a Water Quality Certification does not accompany an application, it shall be filed and served and notice of it shall be given in the same manner as an application pursuant to sections 1000.6 and 1000.7 of this subchapter. If the request for a Water Quality Certification is filed after the issuance of the Article 10 Certificate, any request proposes changes of a nature that litigated issues would need to be reopened, such request shall be treated as a request also for a revision of the Article 10 Certificate.

(b) If the proposed facility affects any land or water use or natural resource of the coastal area and federal authorization or funding is necessary, the applicant shall, contemporaneously with submitting the application, submit to DOS copies of the application, the applicant's coastal consistency certification and necessary data and information sufficient to initiate a review by DOS pursuant to the federal Coastal Zone Management Act and its regulations.

(1) The hearing shall be used to elicit, and the hearing record in the
proceedings shall provide, information on which the Secretary of State may base the determination of whether or not to concur with the applicant's coastal consistency certification.

(2) The Secretary of State may use procedures established in the Article 10 proceeding to the extent that they are consistent with the federal Coastal Zone Management Act and its implementing regulations to facilitate the required concurrence. The Secretary of State is encouraged to provide such determination to the Board prior to its decision whether or not to issue a Certificate.

(c) If the proposed facility affects any land or water use or natural resource of the coastal areas and inland waterways, the Board invites DOS, pursuant to Article 42 of the Executive Law, to review, evaluate and issue recommendations and opinions to the Board concerning the potential for the proposal to affect such coastal areas and inland waterways, and policies related thereto.

1000.9 Additional information.

(a) Upon the request or direction of the Board, the Chairperson of the Board or the presiding examiner, the applicant shall submit such additional information as may be reasonably required to reach a decision on any specified issue.

(b) Upon the motion of any party, the applicant may be required to provide additional information relevant and material to the proceeding. A party making a motion under this subdivision shall:

(1) clearly state the additional information sought;

(2) establish its relevance and materiality;

(3) to the best of its ability, demonstrate that the information can be obtained in a timely manner consistent with the need to conduct the proceeding in an expeditious fashion; and

(4) set forth any other reasons why such information should be supplied by the applicant.

1000.10 Fund for municipal and local parties.

(a) Pre-Application Provisions

(1) Each pre-application preliminary scoping statement shall be accompanied by an intervenor fee in an amount equal to $350.00 for each 1,000 kilowatts of generating capacity of the subject facility, but no more than $200,000.00.

(2) All intervenor fees submitted with each preliminary scoping statement and application, as well as any intervenor fee required to be submitted when a pre-application scoping statement or application is amended, shall be deposited in an intervenor account, established pursuant to Section 97-kkkk of the State Finance Law.

(3) Following the filing of a preliminary scoping statement, the Presiding Examiner or the Secretary shall issue a notice of availability of pre-application intervenor funds providing a schedule and related information describing how interested members of the public may apply for pre-application funds. Requests for pre-application funds shall be submitted to the presiding examiner not later than 30 days after the issuance of the notice of the availability of pre-application intervenor funds.

(4) An initial pre-application meeting to consider fund requests shall be convened within no less than 45 days but no more than 60 days of the filing of a preliminary scoping statement. At any pre-application
meeting that may be held to consider fund requests, participants should be prepared to discuss their funding applications and the award of funds. Participants are encouraged to consider the consolidation of requests with similar funding proposals of other participants.

(5) If the pre-application preliminary scoping statement is substantially modified or revised subsequent to its filing, the Board may require an additional pre-application intervenor fee in an amount not to exceed $25,000.00. In such circumstances, the presiding examiner may make awards of the additional funds, on an equitable basis, in relation to the potential for such awards to make an effective contribution to review of the preliminary scoping statement, thereby providing early and effective public involvement.

(6) Each request for pre-application funds shall be filed with the Secretary and submitted to the presiding examiner, with copies to other interested persons, as identified by the Secretary or presiding examiner.

(7) The presiding examiner shall reserve at least 50% of the pre-application funds for potential awards to municipalities.

(8) Following receipt of initial requests for pre-application funds, the presiding examiner shall expeditiously make an initial award of pre-application funds, and thereafter may make additional awards of pre-application funds, in relation to the potential for such awards to make an effective contribution to review of the preliminary scoping statement, thereby encouraging early and effective public involvement.

(9) The presiding examiner shall award funds on an equitable basis to participants during the pre-application phase whose requests comply with the provisions of this section, provided use of the funds will make an effective contribution to review of the preliminary scoping statement, and thereby provide early and effective public involvement.

(10) Subject to the availability of funds, the presiding examiner may fix additional dates for submission of fund requests.

(11) On a quarterly basis, unless otherwise required by the presiding examiner, any person receiving an award of funds shall submit to the presiding examiner, and file with the Secretary, a report:

(i) detailing an accounting of the monies that have been spent; and
(ii) showing:
(a) the results of any studies and a description of any activities conducted using such funds;
(b) whether the purpose for which the funds were awarded has been achieved; or
(c) if the purpose for which the funds were awarded has not been achieved, whether reasonable progress toward the goal for which the funds were awarded is being achieved and why further expenditures are warranted.

(12) All disbursements from the pre-application intervenor account to any person shall be made by the Department of Public Service upon audit and warrant of the Comptroller of the State on vouchers approved by the Chairperson or a designee. All such vouchers must include a description and explanation of all expenses to be reimbursed.

(b) Application Provisions

(1) Each application shall be accompanied by an intervenor fee in an amount:

(i) equal to $1,000 for each 1,000 kilowatts of capacity, but no more than $400,000.00, and
(ii) for facilities that will require storage or disposal of fuel waste byproduct, an additional intervenor fee of $500.00 for each 1,000 kilowatts of capacity, but no more than an additional $50,000.00, shall be deposited in the intervenor account.

(2) If an amendment of an application is determined by the Chairperson to be a revision as defined in this Part, the application will require substantial additional scrutiny and the applicant shall submit an additional intervenor fee, in the amount equal to $1,000 for each 1,000 kilowatts of capacity of the proposed project, as amended, but no more than $75,000.00. The presiding examiner may, however, increase the level of the additional intervenor fee that shall be submitted, up to the maximum level of $75,000 if the presiding examiner finds circumstances require a higher level of intervenor funding in order to ensure an adequate record for review of the revision to the application.

(3) Following an applicant's publication of notice of filing a PSL Article 10 application, the presiding examiner or secretary shall issue a notice of availability of application intervenor funds providing a schedule and related information describing how municipal and local parties may apply for application funds. Requests for application funds shall be submitted to the presiding examiner within 30 days after the issuance of the notice of the availability of application intervenor funds.

(4) The presiding examiner shall award funds during the application phase on an equitable basis to municipal and local parties whose requests comply with the provisions of this section, so long as use of the funds will contribute to a complete record leading to an informed decision as to the appropriateness of the site and the facility and will facilitate broad participation in the proceeding.

(5) The presiding examiner shall reserve at least 50% of the intervenor funds for potential awards to municipalities.

(6) Any municipality or local party (except an applicant) may request funds from the intervenor account to defray expenses for expert witness, consultant, administrative or legal fees (other than in connection with judicial review).

(7) Each request for application funds shall be filed with the Secretary and submitted to the presiding examiner, with copies provided to all other parties.

(8) At any pre-hearing conference that may be held to consider fund requests, the parties should be prepared to discuss their funding applications and the award of funds. Parties are encouraged to consider the consolidation of requests with similar funding proposals of other participants.

(9) Subject to the availability of funds, the presiding examiner may fix additional dates for submission of fund requests.

(10) On a quarterly basis, unless otherwise required by the presiding examiner, any party receiving an award of funds shall submit to the presiding examiner and file with the Secretary a report:

(i) detailing an accounting of the monies that have been spent; and

(ii) showing:

(a) the results of any studies and a description of any activities conducted using such funds;

(b) whether the purpose for which the funds were awarded has been achieved; if the purpose for which the funds were awarded has not been achieved; whether reasonable progress toward the goal for which the
funds were awarded is being achieved; and why further expenditures are warranted.

(11) Disbursement of Funds

(i) All disbursements from the application intervenor account to any party shall be made by the Department of Public Service upon audit and warrant of the Comptroller of the State on vouchers approved by the Chairperson or a designee. All such vouchers must include a description and explanation of all expenses to be reimbursed.

(ii) All vouchers must be submitted for payment not later than six months after any withdrawal of an application or the Board's final decision on an application (including a decision on rehearing, if applicable).

(iii) Following withdrawal or final Board decision on an application, any funds that have not been disbursed shall be returned to the applicant.

(c) General Provisions

(1) Each request for funds shall contain:

(i) a statement of the number of persons and the nature of the interests the requesting party represents;

(ii) a statement of the availability of funds from the resources of the requesting party and from other sources and of the efforts that have been made to obtain such funds;

(iii) the amount of funds being sought;

(iv) to the extent possible, the name and qualifications of each expert to be employed, or at a minimum, a statement of the necessary professional qualifications;

(v) if known, the name of any other interested person or entity who may, or is intending to, employ such expert;

(vi) a detailed statement of the services to be provided by expert witnesses, consultants, attorneys, or others (and the basis for the fees requested), including hourly fee, wage rate, and expenses, specifying how such services and expenses will contribute to the compilation of a complete record as to the appropriateness of the site and facility;

(vii) if a study is to be performed, a description of the purpose, methodology and timing of the study, including a statement of the rationale supporting the methodology and timing proposed, including a detailed justification for any proposed methodology that is new or original explaining why pre-existing methodologies are insufficient or inappropriate;

(viii) a statement as to the result of any effort made to encourage the applicant to perform any proposed studies or evaluations and the reason it is believed that an independent study is necessary; and

(ix) a copy of any contract or agreement or proposed contract or agreement with each expert witness, consultant or other person.

(2) If the matter has not been assigned to a presiding examiner, the Secretary shall act as an interim examiner until a presiding examiner has been assigned to the matter.

.SO DOC 16C-1000.11
1000.11 Assistance with documents.

For good cause shown to the presiding examiner (or, if none, the Secretary), the Board will reproduce and serve documents filed by non-applicant municipal and local parties and provide such parties access to transcripts.

.SO DOC 16C-1000.12

NYCRR
1000.12 Evidence and proof.

(a) Evidence

(1) The presiding examiner shall require parties proposing to litigate issues in the proceeding to provide a list of specific issues they propose to litigate, in advance of or at an issues conference, along with a sufficient explanation of why litigation is necessary for each such issue. All issues to be litigated must be relevant. Issues and evidence are relevant if they assist the Board in making the required findings pursuant to PSL Section 168(2) and the required determinations pursuant to PSL Section 168(3) including the considerations required by PSL Section 168(4).

(2) All evidence submitted must be relevant and material. Evidence is material if it has the reasonable potential to affect the outcome of the Board's findings or determinations under PSL Section 168.

(3) Although relevant, evidence may be excluded if its value as proof is substantially outweighed by a potential for unfair prejudice, confusion of the issues, undue delay, or it is needlessly repetitious or duplicative. The presiding examiner may also preclude irrelevant, repetitive, redundant or immaterial evidence and irrelevant or unduly repetitious cross-examination.

(4) All rules of privilege will be observed.

(5) Other rules of evidence need not be strictly applied. Hearsay evidence may be admitted if a reasonable degree of reliability is shown.

(6) Where a part of a document is offered as evidence by one party, any party may offer the entire document as evidence or the presiding examiner may require the entire document to be submitted as evidence.

(7) Any party may move that evidence, including records and documents, in the possession of the DPS, or other public records, be received in evidence in the form of copies or excerpts or by incorporation by reference.

(8) Records or documents incorporated by reference will be available for examination by the parties before being received in evidence.

(9) Briefs and other documents that attempt to persuade through argument are not evidence and may not be entered into the evidentiary record of a proceeding.

(10) Any party may move that official notice be taken of:

(i) facts of which judicial notice could be taken pursuant to Rule 4511 of the Civil Practice Law and Rules; and

(ii) other facts within the specialized knowledge of the Board.

(11) When official notice is taken of a material fact of which judicial notice could not be taken and that does not appear in the evidence in the record, every party will be given notice thereof and will, on timely request, be afforded an opportunity to dispute such fact or its materiality prior to a decision granting or denying a certificate.

(b) Burden of proof

(1) The applicant has the burden of proof to demonstrate that all findings and determinations required by Section 168 of the PSL can be made by the Board, and after the Board's jurisdiction has ceased, that all determinations required by the Commission may be made.

(2) The burden of proof to sustain a motion is on the party making the motion.

(c) Standard of proof.

Whenever factual matters are involved, the party bearing the burden of
proof must sustain that burden by a preponderance of the evidence unless a higher standard has been established by statute or regulation.

.SO DOC 16C-1000.13
NYCRR

1000.13 Amendment of an application.
(a) An amendment of an application warrants substantial additional scrutiny within the meaning of PSL Section 164(6)(a) if it is a revision.

(b) If an amendment of an application is determined by the Chairperson to be a revision as defined in this Part, the application will require substantial additional scrutiny and the applicant shall submit an additional intervenor fee, in the amount equal to $1,000 for each 1,000 kilowatts of capacity of the proposed project, as amended, but no more than $75,000.00. The presiding examiner may, however, increase the level of the additional intervenor fee that shall be submitted, up to the maximum level of $75,000 if the presiding examiner finds circumstances require a higher level of intervenor funding in order to ensure an adequate record for review of the revision to the application. Such additional fee shall be awarded and disbursed substantially in accordance with section 1000.10 of this Part.

.SO DOC 16C-1000.14
NYCRR

1000.14 Dismissal of an application.
Whenever, in the absence of any genuine issue as to any material fact, it appears that the statutory requirements for a certificate cannot be met, the Board may dismiss the application seeking such certificate and terminate the proceeding in question upon the motion of any party or upon its own motion.

.SO DOC 16C-1000.15
NYCRR

1000.15 Acceptance of a certificate.
(a) Upon issuance of a final decision by a Board granting a Certificate, an applicant shall, within 30 days after the issuance of such decision, file either a written unqualified acceptance of the Certificate or a petition for rehearing, but not both.

(b) If a petition for rehearing has been granted, an applicant shall, within 30 days after the issuance of the decision on rehearing, file either a written unqualified acceptance of the certificate (as modified by such decision) or a petition for judicial review, but not both.

(c) If judicial review has been obtained, an applicant shall file a written unqualified acceptance of the certificate within 30 days after either:
   (1) the expiration of the time for judicial review of the court order:
      (i) enforcing the Board's decision; or
      (ii) modifying the Board's decision and enforcing it as so modified; or
   (2) any final decision by a Board upon remand for further specific evidence or findings.

(d) A certificate will be vacated unless an applicant has filed a written acceptance in accordance with subdivision (a), (b) or (c) of this section, as the case may be.

(e) Upon the filing of a written acceptance of a certificate following a final decision on an application, rehearing, judicial review or remittal, as the case may be, a Board's jurisdiction with respect to such certificate will cease provided, however, that the permanent Board will retain jurisdiction with respect to the amendment, suspension or revocation of the certificate.
1000.16 Amendment, revocation and suspension of a certificate.

(a) The secretary shall, within 14 days of the filing submitted pursuant to paragraph (b) of this section, determine whether a proposed amendment is a revision following consultation with the staffs of DPS and, as appropriate, the staffs of the DEC and the DOH.

(b) A certificate holder seeking the amendment of a certificate shall file with the Secretary an electronic copy and 10 paper copies of a petition for approval of the amendment of the certificate, together with the accompanying documents described in this subdivision. The certificate holder shall contemporaneously serve four paper copies of the petition and accompanying documents on DEC at its central office and three paper copies on each affected DEC regional office and two paper copies each on the Commissioner of Health, the chair of the New York State Energy Research and Development Authority, and the commissioner of economic development. The following requirements apply:

(1) The petition shall describe the amendments proposed and the relevant engineering design, performance or operational changes proposed, with supporting documentation to describe the nature of the changes caused by or related to the amendment.

(2) To the extent appropriate, the certificate holder shall submit the data and information required by this Subchapter that would otherwise be necessary to support an application for a certificate.

(3) Notice of such petition shall be given to, and copies of such petition shall be served on, any person, municipality or agency entitled by law to be given notice, or to receive a copy, of the application for the original certificate;

(4) A copy of such petition shall also be served on any other party to the proceeding in which the original certificate was granted and all property-owners affected by the proposed amendment; and

(5) The notice shall:

(i) briefly describe the proposed amendment and state the reasons therefor;

(ii) give the name, address, telephone number and e-mail address of an employee or representative of the petitioner/applicant from whom further information, including a copy of the petition, may be obtained;

(iii) state that those, in addition to parties to the original certification proceeding, who wish to participate in the proceeding on the amendment must so advise the secretary within 10 days after the giving of such notice; and

(iv) state that any comments on the petition must be received by the secretary no later than 30 days after the date on which the notice was given.

(6) The petition shall be accompanied by an affidavit of publication and service showing that the required publication and service of documents was accomplished.

(c) If the secretary determines that a proposed amendment is a revision as defined in this Part, the board will hold a hearing following the procedures set forth in this Subchapter for applications.

(d) Any commenting party shall file one electronic copy of its comments with the secretary.

(e) The permanent board may, following the procedures in subdivisions (f) and (g) of this section, amend or suspend a certificate and may, at any time before the date on which the final compliance filing in
connection with the authorized facility is deemed approved, revoke a certificate on grounds including, but not limited to:

(1) discovery of materially false or inaccurate statements in the application or supporting documents;

(2) noncompliance with a material term or condition of the certificate or with a provision of the PSL or of this Subchapter; or

(3) discovery of material information that the applicant withheld or misrepresented at the time of the certification proceeding.

(f) If the permanent board on its own motion is considering the amendment, revocation or suspension of a certificate, it will, in an order to show cause, set forth the alleged facts that appear to warrant the intended action. The time within which responses may be filed shall not exceed 30 days after the issuance of such order. Such order will be served on all parties to the certification proceeding. Any responding party, within the time specified in such order:

(1) file an electronic copy of its comments with the secretary;

(2) serve a copy of its comments on all parties to the certification proceeding; and

(3) file with the Secretary an affidavit showing that service was made.

(g) Notwithstanding the provisions of subdivision (f) of this section:

(1) the permanent Board will hold an evidentiary hearing after issuing the Order to Show Cause, if a revision, suspension or revocation is being considered; and

(2) as permitted by section 401(3) of the State Administrative Procedure Act, the permanent board may summarily suspend a certificate if it finds that public health, safety, or welfare imperatively requires emergency action, and it incorporates such finding in an order. The summary suspension will be effective on the date specified in such order or upon service of a certified copy of such order on the certificate holder, whichever shall be later, pending proceedings for revocation or other action, which proceedings will be promptly instituted and determined.

(h) Upon the complaint of any interested person, DPS shall investigate such complaint and, if the material facts and other available evidence indicate that action may be warranted, forward the complaint with its assessment to the permanent Board for action under subdivisions (f) and (g) of this section.

1000.17 Transfer of a certificate.

(a) A certificate may only be transferred to a person who agrees to comply with the terms, limitations, or conditions contained therein and in every subsequent Order issued thereunder. A change in the ownership of a certificate holder without a transfer of the responsibility to comply with the terms, limitations, and conditions contained in the certificate is not a transfer of the certificate that requires approval pursuant to this section; however, the certificate holder shall file written notice of any such change of ownership with the Secretary within 7 days of such change and a verified statement that the change will not adversely affect the ability of the certificate holder to comply with such terms, limitations, or conditions.

(b) A certificate holder seeking the transfer of a certificate shall file with the Secretary an electronic copy and ten paper copies of a petition for approval of the transfer of the certificate, together with
the accompanying documents described in this subdivision. The certificate holder shall contemporaneously serve four paper copies of the petition and accompanying documents on DEC at its central office and three paper copies on each affected DEC regional office and two paper copies each on the commissioner of health, the chair of the New York State Energy Research and Development Authority, and the commissioner of economic development. The petition shall:

1. state the reasons supporting the transfer;
2. show that the transferee is qualified to carry out the provisions of the certificate and any Orders issued thereunder;
3. be verified by all parties to the proposed transfer;
4. if required by the Chairperson, be accompanied by a copy of any proposed transfer agreement;
5. be accompanied by an affidavit of service of a copy of the petition on each of the parties to the certification proceeding; and
6. be accompanied by an affidavit of publication of a notice concerning the petition and service of such notice on all property owners that have executed agreements to convey property rights to the applicant and all other persons, municipalities or agencies entitled by law to be given notice of, or to be served with a copy of, any application to construct a major electric generating facility, which notice shall:
   (i) briefly describe the proposed transfer and state the reasons therefor;
   (ii) give the name, address, telephone number and E-mail address of an employee or representative of the petitioner from whom further information, including a copy of the petition, may be obtained; and
   (iii) state that any comments on the petition must be received by the Secretary no later than 30 days after the date on which the notice was given.

(c) If no party to the proceeding opposes such petition within the time for filing comments, the Chairperson, after consultation with the other members of the Permanent Board, shall have exclusive jurisdiction without further notice to grant or deny the petition, grant the petition upon such terms and conditions as deemed appropriate, or conduct such further investigation as deemed necessary.

(d) If a party to the proceeding opposes such petition within the time for filing comments, the Board, or the Permanent Board after the Board's jurisdiction has ceased, shall have jurisdiction without further notice to grant or deny the petition, grant the petition upon such terms and conditions as it deems appropriate, or conduct such further investigation as it deems necessary.

.COD 16C-1000.18

1000.18 Counsel to the board.

The counsel to the Commission shall be counsel to the Board for all purposes, unless the Board determines otherwise.

.COD 16C-PT1001

PART 1001

CONTENT OF AN APPLICATION

(Statutory Authority: Public Service Law 6164(1))

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1001.1 General requirements.
(a) Each application for a certificate shall contain the exhibits described by this Part as relevant to the proposed major electric generating facility technology and site and such additional exhibits and information as the Applicant may consider relevant or as may be required by the Board or the Presiding Examiner. Exhibits that are not relevant to the particular application may be omitted.
(b) Each exhibit shall contain a title page showing:
(1) the applicant's name;
(2) the title of the exhibit; and
(3) the proper designation of the exhibit.
(c) Each exhibit consisting of 10 or more pages of text shall contain a table of contents citing by page and section number or subdivision the component elements or matters contained in the exhibit.
(d) In collecting, compiling and reporting data required by this Part,
the applicant shall establish a basis for a statistical comparison with data which shall subsequently be obtained under any program of post-certification monitoring. 

(e) If the same information is required for more than one exhibit, it may be supplied in a single exhibit and referenced in the other exhibit(s) where it is also required.

(f) Exhibit 1 shall contain:

(1) the name, address, telephone number, facsimile number, and E-mail address of the applicant;

(2) the address of a website established by the applicant to disseminate information to the public regarding the application;

(3) the name, address, telephone number, facsimile number, and E-mail address of a person provided by the applicant that the public may contact for more information regarding the application;

(4) the name, business address, telephone number, facsimile number, and E-mail address of the principal officer of the applicant;

(5) if the applicant desires service of documents or other correspondence upon an agent, the name, business address, telephone number, facsimile number, and E-mail address of the agent;

(6) a brief explanation of the type of business entity that the applicant is, including its date and location of formation and the name and address of any parent entities; and

(7) if the facility is to be owned by a corporation, a certified copy of the charter of such corporation; if the facility is not to be owned by a corporation, a copy of the certificate or other documents of formation.

SO DOC 16C-1001.2 NYCRR
1001.2 Exhibit 2: Overview and public involvement.
Exhibit 2 shall not exceed 15 pages of text, except that for good cause shown, the Secretary may increase the page limit. Exhibit 2 shall contain:

(a) A brief description of the major components of the proposed facility, interconnections and related facilities.

(b) A brief summary of the contents of the application.

(c) A brief description of the public involvement program conducted by the applicant prior to submission of the application and an identification of significant issues raised by the public and affected agencies during such program and the response of the applicant to those issues including a summary of changes made to the proposal as a result of the public involvement program.

(d) A brief description of the public involvement program to be conducted by the applicant after submission of the application.

(e) A brief, clearly and concisely written overall analysis in plain language that assembles and presents relevant and material facts regarding the proposed project upon which the applicant proposes that the Board makes its decision. The analysis shall be analytical and not encyclopedic and shall specifically address each required finding, determination and consideration the Board must make or consider in its decision pursuant to Section 168 of the PSL and explain why the applicant believes that the requested Certificate can be granted.

SO DOC 16C-1001.3 NYCRR
1001.3 Exhibit 3: Location of facilities.
Exhibit 3 shall contain:
Maps, drawings and explanations showing the location of the proposed
major electric generating facility, all interconnections, and all ancillary features not located on the facility site such as roads, railroads, switchyards, fuel or energy storage or regulation facilities, solid waste disposal areas, waste treatment and disposal facilities, and similar facilities, in relation to municipalities (county, city, town and village) and taxing jurisdictions associated with any part of the overall development proposal. Such maps, drawings and explanations shall include:

(a) New York State Department of Transportation or USGS maps (1:24,000 topographic edition), showing:

(1) the proposed location of the major electric generating facility and any reasonable and available alternative location sites required to be identified, including electric transmission line and fuel gas transmission line interconnections that are not subject to review under Article VII of the PSL, and including ancillary features located on the facility site such as roads, railroads, switchyards, fuel or energy storage or regulation facilities, solid waste disposal areas, waste treatment and disposal facilities, and similar facilities;

(2) the proposed location of any interconnections, including all offsite electric transmission lines, fuel gas transmission lines, fuel oil transmission lines, water supply lines, wastewater lines, communications lines, steam lines, stormwater drainage lines, and appurtenances thereto, to be installed in New York State connecting to and servicing the site of a major electric generating facility that are not subject to the Commission's jurisdiction under PSL Article VII;

(3) the location of all proposed ancillary features not located on the facility site such as roads, railroads, switchyards, fuel or energy storage or regulation facilities, solid waste disposal areas, waste treatment and disposal facilities, and similar facilities, that are not subject to the Board's jurisdiction under PSL Article 10;

(4) the proposed location of any electric transmission line and fuel gas transmission line interconnections that are subject to review under Article VII of the PSL, and that are not subject to the Board's jurisdiction under PSL Article 10; and

(5) a study area for the proposed facility generally related to the nature of the technology and the setting of the proposed site. In highly urbanized areas, the study area may be limited to a one-mile radius from the property boundaries of the facility site, interconnections, and alternative location sites. For large facilities or wind power facilities with components spread across a rural landscape, the study area shall include the area within a radius of at least five miles from all facility components, interconnections and related facilities and alternative location sites. For facilities in areas of significant resource concerns, the size of a study area shall be configured to address specific features or resource issues.

(b) Maps clearly showing the location of the proposed facility site, any reasonable and available alternative location sites required to be identified, the interconnections, and all ancillary features not located on the facility site in relation to municipal boundaries, taxing jurisdictions, designated neighborhoods or community districts, at a scale sufficient to determine and demonstrate relation of facilities to those geographic and political features.

(c) Written descriptions explaining the relation of the location of the proposed facility site, any reasonable and available alternative
location sites required to be identified, the interconnections, and all ancillary features not located on the facility site to the affected municipalities, taxing jurisdictions, designated neighborhoods or community districts.

1001.4 Exhibit 4: land use.

Exhibit 4 shall contain:

(a) A map showing existing land uses within the study area.

(b) A map of any existing overhead and underground major facilities for electric, gas or telecommunications transmission within the study area.

(c) Except for wind power facilities, a map of all properties upon which any component of the major electric generating facility or the related facilities would be located, and all properties adjoining such properties, that shows the current land use, tax parcel number and owner of record of each property, and any publicly known proposed land use plans for any of these parcels. For wind power facilities, a map of all properties upon which any component of the major electric generating facility or the related facilities would be located, and all properties within 2,000 feet of such properties, that shows the current land use, tax parcel number and owner of record of each property, and any publicly known proposed land use plans for any of these parcels.

(d) A map of existing zoning districts, and proposed zoning districts within the study area, including a description of the permitted and the prohibited uses within each zone.

(e) A statement as to whether the municipality has an adopted comprehensive plan and whether the proposed land use is consistent with such comprehensive plan. If the municipality's comprehensive plan is posted on a website, the exhibit shall contain the address of the internet site where the plan is posted.

(f) A map of all publicly known proposed land uses within the study area, gleaned from interviews with state and local planning officials, from the public involvement process, or from other sources.

(g) Maps showing designated coastal areas, inland waterways and local waterfront revitalization program areas; groundwater management zones; designated agricultural districts; flood-prone areas; and critical environmental areas designated pursuant to the State Environmental Quality Review Act.

(h) Maps showing recreational and other land uses within the study area that might be affected by the sight, sound or odor of the construction or operation of the facility, interconnections and related facilities, including Wild, Scenic and Recreational River Corridors, open space, and any known archaeological, geologic, historical or scenic area, park, designated wilderness, forest preserve lands, scenic vistas specifically identified in the Adirondack Park State Land Master Plan, conservation easement lands, scenic byways designated by the federal or state governments, nature preserves, designated trails, and public-access fishing areas; major communication and utility uses and infrastructure; and institutional, community and municipal uses and facilities; including a summary describing the nature of the probable environmental impact of facility and interconnection construction and operation on such uses, including an identification of how such impact is avoided or, if unavoidable, minimized or mitigated. Given the provisions of §304 of the National Historic Preservation Act, 9 NYCRR
427.8, and 615 of the Public Service Law, information about the location, character, or ownership of a cultural resource shall not be disclosed to the public, and shall only be disclosed to the parties to a proceeding pursuant to an appropriate protective order if a determination is made that disclosure may:

1) cause a significant invasion of privacy;
2) risk harm to the affected cultural resource; or
3) impede the use of a traditional religious site by practitioners.

(i) A qualitative assessment of the compatibility of the facility and any interconnection, including any off-site staging and storage areas, with existing, proposed and allowed land uses, and local and regional land use plans, within a 1-mile radius of the facility site and any interconnection route. The qualitative assessment shall include an evaluation of the short- and long-term effects of facility-generated noise, odor, traffic and visual impacts on the use and enjoyment of those areas for the current and planned uses. The assessment shall identify the nearby land uses of particular concern to the community, and shall address the land use impacts of the facility on residential areas, schools, civic facilities, recreational facilities, and commercial areas.

(j) A qualitative assessment of the compatibility of above-ground interconnections and related facilities with existing, potential, and proposed land uses within the study area.

(k) A qualitative assessment of the compatibility of underground interconnections and related facilities with existing, potential, and proposed land uses within 300 feet from the centerline of such interconnections or related facilities.

(l) For projects at locations within designated coastal areas, or in direct proximity of designated inland waterways, provide an analysis of conformance with relevant provisions of the Coastal Zone Management Act, and proposed or adopted plans for inland waterways and local waterfront revitalization areas.

(m) Aerial photographs of all properties within the study area of such scale and detail to enable discrimination and identification of all natural and cultural features.

(n) Overlays on aerial photographs which clearly identify the facility site and any interconnection route, the limits of proposed clearing or other changes to the topography, vegetation or man-made structures, and the location of access and maintenance routes.

(o) All aerial photographs shall reflect the current situation. All aerial photographs shall indicate the photographer and the date photographs were taken.

(p) A description of community character in the area of the proposed facility, an analysis of impacts of facility construction and operation on community character, and identification of avoidance or mitigation measures that will minimize adverse impacts on community character. For the purposes of this paragraph, community character includes defining features and interactions of the natural, built and social environment, and how those features are used and appreciated in the community.

Exhibit 5 shall contain:

(a) A system reliability impact study, performed in accordance with the open access transmission tariff of the New York Independent System
Operator, Inc. (NYISO) approved by the Federal Energy Regulatory Commission, that shows expected flows on the system under normal, peak and emergency conditions and effects on stability of the interconnected system, including the necessary technical analyses (Thermal, Voltage, Short Circuit and Stability) to evaluate the impact of the interconnection. The study shall include the new electric interconnection between the facility and the point of interconnection, as well as any other system upgrades required.

(b) An evaluation of the potential significant impacts of the facility and its interconnection to transmission system reliability at a level of detail that reflects the magnitude of the impacts.

(c) A discussion of the benefits and detriments of the facility on ancillary services and the electric transmission system, including impacts associated with reinforcements and new construction necessary as a result of the facility.

(d) An analysis of any reasonable alternatives that would mitigate adverse reliability impacts and maintain voltage, stability, thermal limitations, and short circuit capability at adequate levels.

(e) An estimate of the increase or decrease in the total transfer capacity across each affected interface, and if a forecasted reduction in transfer capability across affected interfaces violates reliability requirements, an evaluation of reasonable corrective measures that could be employed to mitigate or eliminate said reduction.

(f) A description of criteria, plans, and protocols for generation and ancillary facilities design, construction, commissioning, and operation, including as appropriate to generation technology:

1. engineering codes, standards, guidelines and practices that apply;
2. generation facility type certification;
3. procedures and controls for facility inspection, testing and commissioning; and
4. maintenance and management plans, procedures and criteria.

(g) If there is a thermal component to the facility the applicant is to provide heat balance diagrams at various load levels and generation configurations demonstrating that the facility is utilizing the best use of heat from the facility.

(h) For wind power and other facilities where it is contemplated that a portion of a new interconnection substation to be built will be transferred to the transmission owner:

1. describe the substation facilities to be transferred and the contemplated future transaction, including a timetable for the future transfer;
2. describe how the substation-interconnection design will meet the transmission owner's requirements; and
3. define the operational and maintenance responsibilities for the substation and how they will meet the transmission owner's standards.

(i) Facility maintenance and management plans, procedures and criteria, specifically addressing the following topics:

1. turbine maintenance, safety inspections, and tower integrity; and
2. electric transmission, gathering and interconnect line inspections, maintenance, and repairs, including:
   (i) vegetation clearance requirements;
   (ii) vegetation management plans and procedures;
   (iii) inspection and maintenance schedules;
   (iv) notification and public relations for work in public...
right-of-way; and

(v) minimization of interference with electric and communications distribution systems.

(j) Vegetation management practices for switchyard and substation yards, and for danger trees (trees that due to location and condition are a particular threat to fall on and damage electrical equipment) around stations, specifications for clearances, inspection and treatment schedules, and environmental controls to avoid off-site effects.

(k) If the applicant will entertain proposals for sharing above ground facilities with other utilities (communications, cable, phone, cell phone relays, and similar facilities), criteria and procedures for review of such proposals.

(l) A status report on equipment availability and expected delivery dates for major components including heat recovery steam generators, towers, turbines, transformers, and related major equipment.

(m) A description of the generating facility's black start capabilities, if any.

(n) After Consultation with DPS, NYISO, and the local transmission owners to identify applicable requirements, an identification and demonstration of the degree of compliance with all relevant applicable reliability criteria of the Northeast Power Coordinating Council Inc., New York State Reliability Council, and the local interconnecting transmission utility, including any criteria regarding blackstart and fuel switching capabilities.

1001.6 Exhibit 6: wind power facilities.

If the applicant's proposal is for a wind power facility, Exhibit 6 shall contain:

(a) A statement of all setback requirements and/or setback recommendations for turbines from roads, occupied structures (dwellings, commercial, industrial, and institutional), barns and unoccupied structures, areas of public gathering, and electric transmission lines, explaining the rationale for the setback distances for each type, as required or recommended by:

(1) the manufacturer's specifications;

(2) the Applicant; and

(3) any local ordinance or law.

(b) A detailed explanation of the degree to which the Applicant has accommodated in the facility layout the required and/or recommended turbine setbacks required to be stated in subdivision (a) of this section.

(c) Documentation regarding the status and results of third-party review and certification (type and project) of wind turbines proposed for construction and operation at the electric plant.

(d) Wind meteorological analyses demonstrating adequate wind conditions supporting the estimated capacity factor for the facility.

1001.7 Exhibit 7: natural gas power facilities.

If the applicant's proposal is for a gas power facility, Exhibit 7 shall contain:

(a) An estimate of the monthly and hourly gas usage by the facility.

(b) A statement of the gas pressure required for the gas turbines and how the pressure will be regulated or increased.
1001.8 Exhibit 8: electric system production modeling.
Prior to preparing this exhibit, the Applicant shall consult with DPS and DEC to develop an acceptable input data set, including modeling for the Applicant's proposed facility and inputs for the emissions analysis, to be used in the simulation analyses.
Exhibit 8 shall contain:
(a) The following analyses that shall be developed using GEMAPS, PROMOD or a similar computer-based modeling tool:
   (1) estimated statewide levels of SO2, NOx and CO2 emissions, both with, and without the proposed facility;
   (2) estimated minimum, maximum, and average annual spot prices representative of all NYISO Zones within the New York Control Area, both with and without the proposed facility;
   (3) an estimated capacity factor for the facility;
   (4) estimated annual and monthly, on peak, shoulder and off-peak MW output capability factors for the facility;
   (5) estimated average annual and monthly production output for the facility in MWhs;
   (6) an estimated production curve for the facility over an average year;
   (7) an estimated production duration curve for the facility over an average year; and
   (8) estimated effects of the proposed facility on the energy dispatch of existing must-run resources, defined for this purpose as existing wind, hydroelectric and nuclear facilities, as well as co-generation facilities to the extent they are obligated to output their available energy because of their steam hosts.
(b) Digital copies of all inputs used in the simulations required in subdivision (a) of this section.

1001.9 Exhibit 9: alternatives.
Exhibit 9 shall contain:
(a) an identification and description of reasonable and available alternate location sites for the proposed facility, except that a private facility applicant may limit its identification and description to sites owned by, or under option to, such private facility applicant or its affiliates;
(b) for each alternative location identified, an evaluation of the comparative advantages and disadvantages of the proposed and alternative locations at a level of detail sufficient to permit a comparative assessment of the alternatives discussed considering:
   (1) the environmental setting;
   (2) the recreational, cultural and other concurrent uses that the site may serve;
   (3) engineering feasibility, including fuel availability, wind availability (if applicable), and interconnections;
   (4) reliability and electric system effects;
   (5) environmental impacts, including an assessment of climate change impacts (whether proposed energy use contributes to global temperature increase);
   (6) economic considerations;
   (7) environmental justice considerations;
   (8) security, public safety and emergency planning considerations;
   (9) public health considerations;
(10) the site's vulnerability to potential seismic disturbances and current and anticipated climate change impacts, such as sea-level rise, precipitation changes, and extreme weather events; and
(11) the objectives and capabilities of the applicant;
(c) a description and evaluation of reasonable alternatives to the proposed facility at the primary proposed location including alternatives regarding:
(1) general arrangement and design;
(2) technology, including alternative power block technologies, air emissions control systems, stack configurations (single flue vs. combined flues), cooling technologies, and alternatives to any proposed use of aqueous ammonia;
(3) scale or magnitude;
(4) for wind power facilities, alternative layouts of the turbines within the site location; and
(5) timing of the proposed in-service date for the facility in relation to other planned additions, withdrawals, or other capacity, transmission or demand reduction changes to the electric system;
(d) a statement of the reasons why the primary proposed location is best suited, among the alternative locations required to be identified, to promote public health and welfare, including the recreational, cultural and other concurrent uses which the site and affected areas may serve.
(e) a statement of the advantages and disadvantages of the alternatives and the reasons why the primary proposed design technology, scale or magnitude, and timing are best suited, among the alternatives, to promote public health and welfare, including the recreational, cultural and other concurrent uses that the site may serve.
(f) a description and evaluation of the no action/no build alternative at the primary proposed location including a statement of the reasons why the proposed facility is better suited to promote public health and welfare including the recreational, cultural and other concurrent uses that the site may serve.
(g) an identification and description of reasonable energy supply source alternatives including but not limited to alternatives to the proposed facility consisting of renewable generation, distributed generation, transmission, and demand-reducing alternatives, except that an applicant may limit its identification and description to alternatives that are feasible considering the objectives and capabilities of the sponsor or its affiliates;
(h) for each source and demand-reducing alternative identified, an evaluation of the comparative advantages and disadvantages of the proposed facility and the alternatives at a level of detail sufficient to permit a comparative assessment of the alternatives discussed considering:
(1) engineering feasibility;
(2) reliability and electric system effects;
(3) environmental impacts, including an assessment of climate change impacts (whether proposed energy use contributes to global temperature increase);
(4) economic considerations;
(5) environmental justice considerations;
(6) security, public safety and emergency planning considerations;
(7) public health considerations; and
(8) the objectives and capabilities of the applicant;

(i) a statement of the reasons why the proposed facility is best suited, among the alternative sources and measures, to promote public health and welfare, including the recreational, cultural, and other concurrent uses that the site and affected areas may serve.

NYCRR 1001.10 Exhibit 10: consistency with energy planning objectives.
Exhibit 10 shall contain:
(a) a statement demonstrating the degree of consistency of the construction and operation of the facility with the energy policies and long range energy planning objectives and strategies contained in the most recent state energy plan including consideration of the information required by subdivisions (b) through (i) in this section;
(b) a description of the impact the proposed facility would have on reliability in the state;
(c) a description of the impact the proposed facility would have on fuel diversity in the state;
(d) a description of the impact the proposed facility would have on regional requirements for capacity;
(e) a description of the impact the proposed facility would have on electric transmission constraints;
(f) a description of the impact the proposed facility would have on fuel delivery constraints;
(g) a description of the impact the proposed facility would have in relation to any other energy policy or long range energy planning objective or strategy contained in the most recent state energy plan;
(h) an analysis of the comparative advantages and disadvantages of reasonable and available alternative locations or properties identified for construction of the proposed facility; and
(i) a statement of the reasons why the proposed location and source is best suited, among the alternatives identified, to promote public health and welfare, including minimizing the public health and environmental impacts related to climate change.

NYCRR 1001.11 Exhibit 11: preliminary design drawings.
The preliminary design drawings to be submitted pursuant to this section shall be prepared by a Professional Engineer, Architect or Landscape Architect, as appropriate, licensed and registered in New York State, whose name shall be clearly printed on the drawings. All such drawings may be labeled "preliminary" or "not for construction purposes" to indicate their preliminary status. All such drawings are to be drawn to scale, or to an exaggerated scale, as appropriate. All such drawings are to be drawn using computer graphics or computer-aided design software; hand-drawn sketches and drawings may not be used.
Exhibit 11 shall contain:
(a) A site plan showing all buildings, structures, driveways, parking areas, emergency access lanes, sidewalks, access ways and other improvements at the facility site, depicting the proposed site in relation to adjoining properties, and depicting the layout of onsite facilities and ancillary features. Additional drawings shall be included depicting the layout of all offsite facilities and ancillary features.
(b) A construction operations plan indicating all materials lay-down areas, construction preparation areas, major excavation and soil storage areas, and construction equipment and worker parking areas.
(c) Grading and erosion control plans indicating soil types, depth to bedrock, general areas of cut and fill, retaining walls, initial and proposed contours, and permanent stormwater retention areas.

(d) A landscaping plan indicating areas of trees to be retained, removed, or restored; berms, walls, fences and other landscaping improvements, and areas for snow removal storage.

(e) A lighting plan showing type and location of exterior lighting fixtures and indicating measures to be taken to prevent unnecessary light trespass beyond the facility property line.

(f) Architectural drawings including building and structure arrangements and exterior elevations for all buildings and structures, indicating the length, width, height, material of construction, color and finish of all buildings, structures, and fixed equipment.

(g) Typical design detail drawings of all underground facilities indicating proposed depth and level of cover, and all overhead facilities indicating height above grade, including descriptions and specifications of all major components including piping, conductors, cooling towers, exhaust stacks, wind turbine towers and blades, and other structures.

(h) For interconnection facilities, the plans and drawings required by subsections (a) through (g) of this Section for the proposed interconnection facilities and a profile of the centerline of the interconnection facilities at exaggerated vertical scale.

(i) A list of engineering codes, standards, guidelines and practices that the applicant intends to conform with when planning, designing, constructing, operating and maintaining the generating facility power plant, wind turbines, electric collection system, substation, transmission line, inter-connection, and associated buildings and structures.

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1001.12 Exhibit 12: construction.

Exhibit 12 shall contain:

(a) A preliminary Quality Assurance and Control plan, including staffing positions and qualifications necessary, demonstrating how applicant will monitor and assure conformance of facility installation with all applicable design, engineering and installation standards and criteria.

(b) A statement from a responsible company official that:

(1) that applicant and its contractors will conform to the requirements for protection of underground facilities contained in Public Service Law 6119-b, as implemented by 16 NYCRR Part 753; and

(2) the applicant will comply with pole numbering and marking requirements, as implemented by 16 NYCRR Part 217.

(c) Preliminary plans and descriptions indicating design, location and construction controls to avoid interference with existing utility transmission and distribution systems, indicating locations and typical separations of proposed facilities from existing electric, gas, and communications infrastructure and measures to minimize interferences where avoidance cannot be reasonably achieved.

(d) Specification of commitments for addressing public complaints, and procedures for dispute resolution during facility construction and operation.

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1001.13 Exhibit 13: real property.
Exhibit 13 shall contain:

(a) A survey of the facility site showing property boundaries with tax map sheet, block and lot numbers; the owner of record of all parcels included in the site and for all adjacent properties; easements, grants and related encumbrances on the site parcels; public and private roads on or adjoining or planned for use as access to the site; zoning and related designations applicable to the site and adjoining properties, except that for wind facilities a map may be used instead of a survey to fulfill this requirement.

(b) A property/right-of-way map of all proposed interconnection facilities and off-property/right-of-way access drives and construction lay-down or preparation areas for such interconnections.

(c) A demonstration that the applicant has obtained title to or a leasehold interest in the facility site, including ingress and egress access to a public street, or is under binding contract or option to obtain such title or leasehold interest, or can obtain such title or leasehold interest.

(d) A statement that the applicant has obtained, or can obtain, such deeds, easements, leases, licenses, or other real property rights or privileges as are necessary for all interconnections for the facility.

(e) An identification of any improvement district extensions necessary for the facility and a demonstration that the applicant has obtained, or can obtain, such improvement district extensions.

Exhibit 14 shall contain:

(a) A detailed estimate of the total capital costs of the proposed facility, including a separately stated estimate for each interconnection, broken down in a rational manner by the Applicant into major cost components appropriate to the facility.

(b) A brief statement of the source of the information used as the basis for the estimates required by subdivision (a) of this section.

(c) Upon the demand of any party or of DPS, the applicant shall supply the work papers from which the estimates required by subdivision (a) of this section were made.

Exhibit 15 shall contain:

A statement and evaluation that identifies, describes, and discusses all potential significant adverse impacts of the construction and operation of the facility, the interconnections, and related facilities on the environment, public health, and safety, at a level of detail that reflects the severity of the impacts and the reasonable likelihood of their occurrence, identifies the current applicable statutory and regulatory framework, and also addresses:

(a) the anticipated gaseous, liquid and solid wastes to be produced at the facility during construction and under representative operating conditions of the facility, including their source, anticipated volumes, composition and temperature, and such meteorological, hydrological and other information needed to support such estimates and any studies, identifying the author and date thereof, used in the analysis;

(b) the anticipated volumes of such wastes to be released to the environment during construction and under any operating condition of the facility;
(c) the treatment processes to eliminate or minimize wastes to be released to the environment;

(d) the manner of collection, handling, storage, transport and disposal for wastes retained and not released at the site, or to be disposed of;

(e) for wind power facilities, impacts due to blade throw, tower collapse, audible frequency noise, low-frequency noise, ice throw and shadow flicker;

(f) maps of the study area and analysis showing relation of the proposed facility site to public water supply resources; community emergency response resources and facilities including police, fire and emergency medical response facilities and plans; emergency communications facilities; hospitals and emergency medical facilities; designated evacuation routes; existing known hazard risks including flood hazard zones, storm surge zones, areas of coastal erosion hazard, landslide hazard areas, areas of geologic, geomorphic or hydrologic hazard; dams, bridges and related infrastructure; explosive or flammable materials transportation or storage facilities; contaminated sites; and other local risk factors;

(g) all significant impacts on the environment, public health, and safety associated with the information required to be identified pursuant to subdivisions a through f of this section, including all reasonably related short-term and long-term effects;

(h) any adverse impact on the environment, public health, and safety that cannot be avoided should the proposed facility be constructed and operated, and measures for monitoring and measuring such impacts;

(i) any irreversible and irretrievable commitment of resources that would be involved in the construction and operation of the facility;

(j) any measures proposed by the applicant to mitigate or offset such impacts;

(k) any measures proposed by the applicant to minimize such impacts; and

(1) any monitoring of such impacts proposed by the applicant.

NYCRR 1001.16 Exhibit 16: pollution control facilities.

(a) If applicable, Exhibit 16 shall contain:

(1) Copies of completed applications for permits to be issued by the DEC pursuant to Federal recognition of State authority, or pursuant to federally delegated or approved authority, in accordance with the Clean Water Act, the Clean Air Act and the Resource Conservation and Recovery Act, and permits pursuant to Section 15-1503, Title 9 of Article 27, and Articles 17 and 19 of the ECL.

(2) Such evidence as shall enable the Commissioner of DEC to evaluate the facility's pollution control technologies and to reach a determination to issue, subject to appropriate conditions and limitations, permits for such technologies.

(3) Such evidence as shall enable the Board to evaluate the facility's pollution control technologies and to make the findings and determinations required by PSL Section 168.

(4) A representation and description of all fuel waste byproducts to be produced as a result of construction and operation of the facility and its interconnections and related facilities, including a description and plan as appropriate for the handling, storage and disposal of all fuel waste byproducts. Ash produced from the combustion or gasification of coal, wood, biomass, municipal solid waste or similar fuels shall be
included in the definition of fuel waste byproduct for the purposes of this subdivision.

(b) Following commercial operation of a certified Major Electric Generating Facility, renewal applications for permits to be issued by the DEC pursuant to Federal recognition of State authority, or pursuant to federally delegated or approved authority, in accordance with the Clean Water Act, the Clean Air Act and the Resource Conservation and Recovery Act, and permits pursuant to Section 15-1503, Title 9 of Article 27, and Articles 17 and 19 of the ECL, will be submitted to and acted upon by the DEC without copies being submitted to the Board or findings and determinations being made by the Board.

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1001.17 Exhibit 17: air emissions.

If applicable, Exhibit 17 shall contain:
(a) A demonstration of the facility's compliance with applicable federal, state, and local regulatory requirements regarding air emissions.

(b) An assessment of existing ambient air quality levels and air quality trends for pollutants in the region surrounding the facility, including air quality levels and trends taken from regional air quality summaries and air quality trend reports.

(c) For emissions of the following substances by combustion sources at the facility, a table indicating the rate and amount of emissions with the name of the substance in the first column, the hourly emission rate in the second column, and the annual potential to emit in the third column:

1. sulfur dioxide (SO2);
2. oxides of nitrogen (NOx);
3. carbon dioxide (CO2);
4. carbon monoxide (CO);
5. particulate matter (PM 2.5, PM 10, total PM);
6. volatile organic compounds (VOCs);
7. elemental lead;
8. mercury; and
9. a set of non-criteria (i.e. toxic) pollutants to be emitted from the proposed facility as determined in consultation with DOH and DEC.

(d) An assessment of the potential impacts to ambient air quality that may result from pollutant emissions from the facility, including:

1. an estimation of the maximum potential air concentrations (short-term and long-term) of appropriate pollutants determined in consultation with DOH and DEC;
2. a comparison of the maximum predicted air concentrations to ambient air quality standards and guidelines and ambient background concentrations for non-criteria pollutants for both short-term and long-term exposures for any appropriate pollutant determined in consultation with DOH and DEC;
3. where warranted as determined in consultation with DOH and DEC, cumulative source impact analyses for any appropriate pollutant in accordance with air permitting requirements and 6 NYCRR Part 487; and
4. An offsite consequence analysis for any ammonia that shall be stored onsite, including an analysis of an accidental release scenario for ammonia performed to meet the requirements of the U.S. Environmental Protection Agency's regulations implementing Section 112(r) of the Clean Air Act.
Exhibit 18 shall contain:

(a) A preliminary plan for site security of the proposed facility during construction of such facility, including site plans and descriptions of the following site security features:
   (1) access controls including fences, gates, bollards and other structural limitations;
   (2) electronic security and surveillance facilities;
   (3) security lighting, including specifications for lighting and controls to address work-site safety requirements and to avoid off-site light trespass; and
   (4) setback considerations for facility components which may present hazards to public safety.

(b) A preliminary plan for site security of the proposed facility during operation of such facility, including site plans and descriptions of the following site security features:
   (1) access controls including fences, gates, bollards and other structural limitations;
   (2) electronic security and surveillance facilities;
   (3) security lighting, including specifications for lighting and controls to address work-site safety requirements and to avoid off-site light trespass;
   (4) lighting of facility components to ensure aircraft safety;
   (5) setback considerations for facility components which may present hazards to public safety; and
   (6) a description of a cyber security program for the protection of digital computer and communication systems and networks that support the facility demonstrating compliance with current standards issued by a standards setting body generally recognized in the information technology industry, including, but not limited to, the federal Department of Commerce's National Institute of Standards and Technology, the North American Electric Reliability Corporation, or the International Organization for Standardization, and providing for periodic validation of compliance with the applicable standard by an independent auditor.

(c) A preliminary safety response plan to ensure the safety and security of the local community, including:
   (1) an identification of contingencies that would constitute a safety or security emergency;
   (2) emergency response measures by contingency;
   (3) evacuation control measures by contingency; and
   (4) community notification procedures by contingency.

(d) A statement that the applicant has provided a copy of the plans required in subdivisions (a), (b), and (c) of this section to, and requested review of such plans and comment by, the New York State Division of Homeland Security and Emergency Services.

(e) If the facility is to be located within any part of a city with a population over one million, a statement that the applicant has provided a copy of the plans required in subdivisions (a), (b), and (c) of this section to, and requested review of such plans and comment by, the local office of emergency management.

(f) A description of all on-site equipment and systems to be provided to prevent or handle fire emergencies and hazardous substance incidents.
(g) A description of all contingency plans to be implemented in response to the occurrence of a fire emergency or a hazardous substance incident.

(h) A statement that the Applicant has provided a copy of the plans required in subdivision (c) of this section to, and requested review of such plans and comment by, local emergency first responders serving the area of the facility site, and a review of any responses received.

1001.19 Exhibit 19: Noise and vibration.

Exhibit 19 shall contain:

A study of the noise impacts of the construction and operation of the facility, related facilities and ancillary equipment. The name and qualifications to perform such analyses of the preparer of the study shall be stated. If the results of the study are certified in any manner by a member of a relevant professional society, the details of such certification shall be stated. If any noise assessment methodology standards are applied in the preparation of the study, an identification and description of such standards shall be stated. The study shall include:

(a) A map of the study area showing the location of sensitive sound receptors in relation to the facility, related facilities and ancillary equipment (including any related substations). The sensitive sound receptors shown shall include residences, outdoor public facilities and areas, hospitals, schools and other noise-sensitive receptors.

(b) An evaluation of ambient pre-construction baseline noise conditions, including A-weighted/dBA sound levels, prominent discrete (pure) tones, at representative potentially impacted noise receptors, using actual measurement data recorded in winter and summer and during day and night as a function of time and frequency using a suitable and suitably calibrated sound level meter (SLM) and octave band frequency spectrum analyzer, or similar equipment. The ambient pre-construction baseline sound level should be filtered to exclude seasonal and intermittent noise.

(c) An evaluation of future noise levels during construction of the facility and related facilities including predicted A-weighted/dBA sound levels, at potentially impacted and representative noise receptors, using computer noise modeling.

(d) An estimate of the noise level to be produced by operation of the facility, related facilities and ancillary equipment assuming wind-induced background noise or stable atmospheric conditions, as appropriate, and not assuming any attenuation of sound that transiently occurs due to weather or temperature.

(e) An evaluation of future noise levels during operation of the facility, related facilities and ancillary equipment including predicted A-weighted/dBA sound levels, prominent discrete (pure) tones, and amplitude modulated sound, at potentially impacted and representative noise receptors, using computer noise modeling, and an analysis of whether the facility will produce significant levels of low frequency noise or infrasound.

(f) A statement in tabular form of the A-weighted/dBA sound levels indicated by measurements and computer noise modeling at the representative external property boundary lines of the facility and related facilities and ancillary equipment sites, and at the representative nearest and average noise receptors, for the following
scenarios:
(1) Daytime ambient noise level - a single value of sound level equivalent to the level of sound exceeded for 90% of the time during the daytime hours (7 am - 10 pm) of a year (L((90))).
(2) Summer nighttime ambient noise level - a single value of sound level equivalent to the level of sound exceeded for 90% of the time during the nighttime hours (10 pm - 7 am) during the summer (L((90))).
(3) Winter nighttime ambient noise level - a single value of sound level equivalent to the level of sound exceeded for 90% of the time during the nighttime hours (10 pm - 7 am) during the winter (L((90))).
(4) Worst case future noise level during the daytime period - the daytime ambient noise level (L((90))), plus the noise level from the proposed new sources modeled as a single value of sound level equivalent to the level of sound exceeded for 10% of the time by such sources under normal operating conditions by such sources in a year (L((10))).
(5) Worst case future noise level during the summer nighttime period - the summer nighttime ambient noise level (L((90))), plus the noise level from the proposed new sources modeled as a single value of sound level equivalent to the level of sound exceeded for 10% of the time by such sources under normal operating conditions by such sources in a year (L((10))).
(6) Worst case future noise level during the winter nighttime period - the winter nighttime ambient noise level (L((90))), plus the noise level from the proposed new sources modeled as a single value of sound level equivalent to the level of sound exceeded for 10% of the time by such sources under normal operating conditions by such sources in a year (L((10))).
(7) Daytime ambient average noise level - a single value of sound level equivalent to the energy-average ambient sound levels (Leq) during daytime hours (7 am - 10 pm); and
(8) Typical facility noise levels - the noise level from the proposed new sources modeled as a single value of sound level equivalent to the level of the sound exceeded 50% of the time by such sources under normal operating conditions by such sources in a year (L50).
(9) Typical future noise level during the daytime period - the energy-average ambient sound level during daytime hours (Leq), plus the noise level from the proposed new sources modeled as a single value of sound level equivalent to the level of the sound exceeded 50% of the time by such sources under normal operating conditions by such sources in a year (L50).
(g) A description of the noise standards applicable to the facility, including any local requirements, and noise design goals for the facility at representative potentially impacted noise receptors, including residences, outdoor public facilities and areas, hospitals, schools, other noise-sensitive receptors, and at representative external property boundary lines of the facility and related facilities and ancillary equipment sites.
(h) A tabular comparison of the noise standards applicable to the facility, including any local requirements, and noise design goals for the facility, and the degree of compliance indicated by computer noise modeling at the representative external property boundary lines of the facility and related facilities and ancillary equipment sites, and at the representative nearest and average noise receptors.
(i) An identification and evaluation of reasonable noise abatement
measures for construction activities, including a description of a complaint-handling procedure that shall be provided during the construction period.

(j) An identification and evaluation of reasonable noise abatement measures for the final design and operation of the facility including the use of alternative technologies, alternative designs, and alternative facility arrangements.

(k) An evaluation of the following potential community noise impacts: hearing damage (as addressed by applicable Occupational Safety and Health Administration standards); indoor and outdoor speech interference; interference in the use of outdoor public facilities and areas; community complaint potential; the potential for structural damage; and the potential for interference with technological, industrial or medical activities that are sensitive to vibration or infrasound.

(l) A description of post-construction noise evaluation studies that shall be performed to establish conformance with operational noise design goals.

(m) An identification of practicable post-construction operational controls and other mitigation measures that will be available to address reasonable complaints, including a description of a complaint-handling procedure that shall be provided during periods of operation.

(n) The computer noise modeling values used for the major noise-producing components of the facility shall fairly match the unique operational noise characteristics of the particular equipment models and configurations proposed for the facility. The software input parameters, assumptions, and associated data used for the computer modeling shall be provided.
(5) a statement demonstrating that all archaeological materials recovered during the facility cultural resources investigation shall be cleaned, catalogued, inventoried and curated according to New York Archaeological Council standards; that to the extent possible, recovered artifacts shall be identified as to material, temporal or cultural/chronological associations, style and function; and that the facility archaeologists shall provide temporary storage for artifacts until a permanent curatorial facility is identified; and

(6) an Unanticipated Discovery Plan that shall identify the actions to be taken in the unexpected event that resources of cultural, historical, or archaeological importance are encountered during the excavation process. This plan shall include a provision for work stoppage upon the discovery of possible archaeological or human remains. In addition, the plan shall specify the degree to which the methodology used to assess any discoveries follows the most recent Standards for Cultural Resource Investigations and Curation of Archaeological Collections in New York State. Such an assessment, if warranted, shall be conducted by a professional archaeologist, qualified according to the standards of the New York State Archaeological Council.

(b) A study of the impacts of the construction and operation of the facility and the interconnections and related facilities on historic resources, including the results of field inspections and consultation with local historic preservation groups to identify sites or structures listed or eligible for listing on the State or National Register of Historic Places within the viewshed of the facility and within the study area, including an analysis of potential impact on any standing structures which appear to be at least 50 years old and potentially eligible for listing in the State or National Register of Historic Places, based on an assessment by a person qualified pursuant to federal regulation (36 C.F.R. 61).

SO DOC 16C-1001.21                              NYCRR
1001.21 Exhibit 21: geology, seismology and soils.

Exhibit 21 shall contain:
A study of the geology, seismology, and soils impacts of the facility consisting of the identification and mapping of existing conditions, an impact analysis, and proposed impact avoidance and mitigation measures, including:

(a) a map delineating existing slopes (0-3%, 3-8%, 8-15%, 15-25%, 25-35%, 35% and over) on and within the drainage area potentially influenced by the facility site and interconnections;

(b) a proposed site plan showing existing and proposed contours at two-foot intervals, for the facility site and interconnections, at a scale sufficient to show all proposed buildings, structures, paved and vegetative areas, and construction areas;

(c) a description and preliminary calculation of the quantity of cut and fill necessary to construct the facility, including separate calculations for topsoil, sub-soil and rock, and including a plan to identify the presence of invasive species in spoil material and to prevent the introduction and/or spread of invasive species by the transport of fill material to or from the site of the facility or interconnections;

(d) a description and preliminary calculation of the amount of fill, gravel, asphalt, and surface treatment material to be brought in to the facility site and interconnections;
(e) a description and preliminary calculation of the proposed type and amount of cut material or spoil to be removed from the facility site and interconnections;

(f) a description of excavation techniques to be employed;

(g) a delineation of temporary cut or fill storage areas to be employed;

(h) a description of the characteristics and suitability for construction purposes of the material excavated for the facility and of the deposits found at foundation level, including factors such as soil corrosivity, bedrock competence, and subsurface hydrologic characteristics;

(i) a preliminary plan describing all blasting operations including location, minimum blasting contractor qualifications, hours of blasting operations, estimates of amounts of rock to be blasted, warning measures, measures to ensure safe transportation, storage and handling of explosives, use of blasting mats, conduct of a pre-blasting condition survey of nearby buildings and improvements, and coordination with local safety officials;

(j) an assessment of potential impacts of blasting to environmental features, above-ground structures and below-ground structures such as pipelines and wells;

(k) an identification and evaluation of reasonable mitigation measures regarding blasting impacts, including the use of alternative technologies and/or location of structures, and including a plan for securing compensation for damages that may occur due to blasting;

(l) a description of the regional geology, tectonic setting and seismology of the facility vicinity.

(m) an analysis of the expected impacts of construction and operation of the facility with respect to regional geology, if such can be determined;

(n) an analysis of the impacts of typical seismic activity experienced in the facility area based on current seismic hazards maps, on the location and operation of the facility identifying potential receptors in the event of failure, and if the facility is proposed to be located near a young fault or a fault that has had displacement in Holocene time, demonstration of a suitable setback from such fault;

(o) a map delineating soil types on the facility and interconnections sites;

(p) a description of the characteristics and suitability for construction purposes of each soil type identified above, including a description of the soil structure, texture, percentage of organic matter, and recharge/infiltration capacity of each soil type and a discussion of any de-watering that may be necessary during construction and whether the facility shall contain any facilities below grade that would require continuous de-watering;

(q) maps, figures, and analyses delineating depth to bedrock and underlying bedrock types, including vertical profiles showing soils, bedrock, water table, seasonal high groundwater, and typical foundation depths on the facility site, and any area to be disturbed for roadways to be constructed and all off-site interconnections required to serve the facility, including an evaluation for potential impacts due to facility construction and operation, including any on-site wastewater disposal system, based on information to be obtained from available published maps and scientific literature, review of technical studies
conducted on and in the vicinity of the facility, and on-site field observations, test pits and/or borings as available;

(r) an evaluation to determine suitable building and equipment foundations, including:

(1) a preliminary engineering assessment to determine the types and locations of foundations to be employed. The assessment shall investigate the suitability of such foundation types as spread footings, caissons, or piles, including a statement that all such techniques conform to applicable building codes or industry standards;

(2) if piles are to be used, a description and preliminary calculation of the number and length of piles to be driven, the daily and overall total number of hours of pile driving work to be undertaken to construct the facility, and an assessment of pile driving impacts on surrounding properties and structures due to vibration; and

(3) identification of mitigation measures regarding pile driving impacts, if applicable, including a plan for securing compensation for damages that may occur due to pile driving; and

(s) an evaluation of the vulnerability of the facility site and the operation of the facility to an earthquake event and a tsunami event.
interconnections based on site observations and supplemented by publicly available sources.

(f) An analysis of the impact of the construction and operation, including air emissions if any, of the facility and interconnections on vegetation, wildlife, wildlife habitats, and wildlife travel corridors, including a detailed assessment of direct and indirect impacts and identification and evaluation of the expected environmental impacts of the facility on declining species, Species of Greatest Conservation Need (SGCN), and species protected by State and Federal law and the habitats of such species. Given the provisions of section 3-0301(2)(r) of the Environmental Conservation Law and section 15 of the Public Service Law, information that identifies the locations of habitats of such species or any other species or unique combination of species of flora or fauna where the destruction of such habitat or the removal of such species therefrom would impair their ability to survive, shall not be disclosed to the public, and shall only be disclosed to the parties to a proceeding pursuant to an appropriate protective order.

(g) An identification and evaluation of reasonable avoidance measures or, where impacts are unavoidable, mitigation measures, including the use of alternative technologies, regarding impacts to vegetation, wildlife and wildlife habitat.

(h) For proposed wind-powered facilities:
   (1) an identification and evaluation of the expected environmental impacts of the facility on avian and bat species and the habitats that support them based on information gathered during pre-construction studies conducted at the proposed site and other nearby sites, analysis of known or predicted species and species migration corridors present on site, and including a description of the extent, methodology and results of all such pre-construction studies;
   (2) an identification and description of a period of post-construction operations monitoring for potential direct and indirect impacts to avian and bat species and habitats, including a description of the extent, methodology and timing of such post-construction operations monitoring; and
   (3) a plan to avoid or, where unavoidable, minimize and mitigate any such impacts during construction and operation of the facility based on existing information, the results of pre- and post-construction monitoring, and any known post-construction impacts that may occur.

(i) A map showing delineated boundaries based on on-site identification of all Federal, State and locally regulated wetlands present on the facility site and within 100 feet of areas to be disturbed by construction, including the interconnections; and predicted presence and extent of wetlands on the remainder of site properties and adjacent properties within 100 feet of areas to be disturbed by construction. For adjacent properties without accessibility, initial surveys may be based on remote-sensing data, interpretation of published wetlands and soils mapping and aerial photography.

(j) A description of the characteristics of all Federal, State and locally regulated wetlands delineated as above, including the Cowardin classification, and a description of the vegetation, soils, and hydrology data collected for each of wetland sites identified, based on actual on-site wetland observations.

(k) A qualitative and descriptive wetland functional assessment, including seasonal variations, for all wetlands delineated as above for
groundwater recharge/discharge, floodflow alteration, fish and shellfish habitat, sediment/toxicant retention, nutrient removal, sediment/shoreline stabilization, wildlife habitat, recreation, uniqueness/heritage, visual quality/aesthetics, and protected species habitat.

(1) An analysis of all off-site wetlands that may be hydrologically or ecologically influenced by development of the facility site and the wetlands delineated as above, observed in the field where accessible to determine their general characteristics and relationship, if any, to wetlands delineated as above.

(m) An identification of all temporary and permanent impacts on the wetlands or their regulated adjacent areas.

(n) An identification and evaluation of reasonable avoidance measures or, where impacts are unavoidable mitigation measures to be employed regarding the wetlands and adjacent areas impacts, including the use of alternative technologies and control of potential phosphorus and nitrogen sources from the facility. Where appropriate, mitigation shall include plans for compensatory mitigation. Such plans shall contain sections on grading, planting, and monitoring for success.

(o) An identification of State and Federal endangered or threatened species on the facility site or that could be subject to impacts from facility construction, operation, or maintenance, including incidental takings, and an endangered or threatened species mitigation plan.

(p) An invasive species prevention and management plan indicating the presence of invasive species and measures that will be implemented to minimize the introduction of new invasive species and spread of existing invasive species during soil disturbance, vegetation management, transport of materials, and landscaping/revegetation.

(q) An analysis of the temporary and permanent impacts of the construction and operation of the facility and the interconnections on agricultural resources, including the acres of agricultural land temporarily impacted, the number of acres of agricultural land that will be permanently converted to nonagricultural use, and mitigation measures to minimize the impact to agricultural resources.

Exhibit 23 shall contain the following with regard to:

(a) Groundwater:

(1) Hydrologic information reporting depths to high groundwater and bedrock, including a site map showing depth to high groundwater and bedrock in increments appropriate for the facility site.

(2) A map based on publicly available information showing all areas within the study area delineating all groundwater aquifers and groundwater recharge areas, and identifying groundwater flow direction, groundwater quality, and the location, depth, yield and use of all public and private groundwater wells or other points of extraction of groundwater, and including delineation of wellhead and aquifer protection zones.

(3) An analysis and evaluation of potential impacts (during normal and drought conditions) from the construction and/or operation of the facility on drinking water supplies, groundwater quality and quantity in the facility area, including potential impacts on public and private water supplies, including private wells within a one mile radius of the facility site, and wellhead and aquifer protection zones.
(b) Surface Water:
(1) A map and identification of all surface waters, including intermittent streams, within the study area.
(2) A description of the New York State listed Water Classification and Standards physical water quality parameters, flow, biological aquatic resource characteristics (including species, habitat, and presence of aquatic invasive species) and other characteristics of such surface waters, including intermittent streams, within the study area.
(3) An identification of any downstream surface water drinking-water supply intakes within one mile, or if none within one mile, an identification of the nearest one (giving location of the intakes by longitude and latitude) that could potentially be affected by the facility or interconnections, including characterization of the type, nature, and extent of service provided from the identified source.
(4) An analysis of the impact of the construction and operation of the facility and interconnections on such surface waters, including impacts to drinking water supplies, and an identification and evaluation of reasonable avoidance measures and, where impacts are unavoidable, mitigation measures regarding impacts on such surface waters, including the precautions that will be taken to avoid or minimize dredging.
(5) An identification and evaluation of reasonable avoidance measures, and where impacts are unavoidable, mitigation measures, including the use of water storage, stormwater reuse, and offsetting water conservation, regarding groundwater impacts.

(c) Stormwater:
(1) A Stormwater Pollution Prevention Plan (SWPPP) for the collection and management of stormwater discharges from the project prepared in accordance with the applicable SPDES General Permit for Stormwater Discharges from Construction Activity (SPDES General Permit) and the most current version of the New York State Standards and Specifications for Erosion and Sediment Control. If the project is not eligible for coverage under the SPDES General Permit, a completed application for a State Pollutant Discharge Elimination System (SPDES) Permit for the collection and management of stormwater discharges from the project.
(2) To the extent not covered in paragraph (1) above, a preliminary plan, prepared in accordance with the most current version of the New York State Standards and Specifications for Erosion and Sediment Control, that identifies the post construction erosion and sediment practices that will be used to manage stormwater runoff from the developed project site. This can include runoff reduction/green infrastructure practices, water quality treatment practices, and practices that control the volume and rate of runoff.

(d) Chemical and Petroleum Bulk Storage:
(1) A description of the spill prevention and control measures to be in place for ammonia storage, fuel oil storage, wastewater storage, and other chemical, petroleum or hazardous substances stored on site, including an evaluation of alternatives and mitigation measures.
(2) An identification whether the storage of ammonia, fuel oil, wastewater, other chemicals, petroleum or hazardous substances, or disposal of solid wastes on site is subject to regulation under the State of New York's chemical and petroleum bulk storage programs, and if so, a demonstration of compliance with such regulations.
(3) An identification whether the storage of ammonia, fuel oil, wastewater, other chemicals, petroleum or hazardous substances on site
is subject to regulation under local law (County, City, Town or Village), and if so, a demonstration of the degree of compliance with such local laws.

(e) Aquatic Species and Invasive Species:

(1) An analysis of the impact of the construction and operation of the facility on biological aquatic resources, including species listed as endangered, threatened, or species of special concern in 6 NYCRR Part 182, and including the potential for introducing and/or spreading invasive species.

(2) An identification and evaluation of reasonable avoidance measures and, where impacts are unavoidable, mitigation measures regarding impacts on such biological aquatic resources, including species and invasive species impacts (if any) and assure compliance with applicable water quality standards (6 NYCRR Part 703).

(f) Cooling Water:

(1) a description of the proposed cooling water system, including the selected cooling technology, the source of cooling water, the cooling water intake structure location and design, the daily maximum cooling water design flow and all the anticipated construction and operational costs of the cooling water system;

(2) a description of the volume and location of the cooling water discharge, the anticipated maximum discharge temperature and maximum delta T, and a description of the anticipated thermal plume; and

(3) a description of the practices that will be employed to avoid pathogen growth (including legionella), an assessment of whether such practices conform to recommendations of the Cooling Tower Institute, and the identification of any potential biocides to be used in the cooling water system.

(4) a description of the taxonomic identification and life history information of all species and life stages of fish and shellfish potentially susceptible to impingement and entrainment by the proposed cooling water intake structure including the estimated number of all species and life stages to be impinged and entrained.

(5) an identification and evaluation of mitigation measures taken to minimize adverse environmental impacts to aquatic life as a result of the location, design, construction, and capacity of the cooling water intake structure.

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1001.24 Exhibit 24: visual impacts.

Exhibit 24 shall contain:

(a) A visual impact assessment (VIA) to determine the extent and assess the significance of facility visibility. The components of the VIA shall include identification of visually sensitive resources, viewshed mapping, confirmatory visual assessment fieldwork, visual simulations (photographic overlays), cumulative visual impact analysis, and proposed visual impact mitigation. The VIA shall address the following issues:

(1) the character and visual quality of the existing landscape;

(2) visibility of the facility, including visibility of facility operational characteristics, such as visible plumes from the exhaust stacks;

(3) visibility of all above-ground interconnections and roadways to be constructed within the facility study area as determined by the viewshed analysis;
appearance of the facility upon completion, including building/structure size, architectural design, facade colors and texture, and site lighting;
(5) lighting (including lumens, location and direction of lights for facility area and/or task use, and safety including worker safety and tall structure marking requirements) and similar features;
(6) representative views (photographic overlays) of the facility, including front, side and rear views, indicating approximate elevations;
(7) nature and degree of visual change resulting from construction of the facility and above-ground interconnections;
(8) nature and degree of visual change resulting from operation of the facility;
(9) analysis and description of related operational effects of the facility such as visible plumes, shading, glare, and shadow flicker;
(10) proposed mitigation and mitigation alternatives based on an assessment of mitigation strategies, including screening (landscaping), architectural design, visual offsets, relocation or rearranging facility components, reduction of facility component profiles, alternative technologies, facility color and design, lighting options for work areas and safety requirements, and lighting options for stack lighting if required by the Federal Aviation Administration; and
(11) a description of all visual resources that would be affected by the facility.

(b) The viewshed analysis component of the VIA shall be conducted as follows:
(1) Viewshed maps depicting areas of project visibility within the facility study area shall be prepared and presented on a 1:24,000 scale recent edition topographic base map. A line of sight profile shall also be done for resources of statewide concern located within the VIA study area. The viewshed maps shall provide an indication of areas of potential visibility based on topography and vegetation and the highest elevation of facility structures. The potential screening effects of vegetation shall also be shown. The map(s) shall be divided into foreground, midground and background areas based on visibility distinction and distance zone criteria. Visually-sensitive sites, cultural and historical resources, representative viewpoints, photograph locations, and public vantage points within the viewshed study area shall be included on the map(s) or an overlay. An overlay indicating landscape similarity zones shall be included.
(2) The VIA shall include a detailed description of the methodology used to develop the viewshed maps, including software, baseline information, and sources of data.
(3) The viewshed mapping shall be used to determine the sensitive viewing areas and locations of viewer groups in the facility vicinity. These shall include recreational areas, residences, businesses, historic sites (listed or eligible for listing on the State or National Register of Historic Places), and travelers (interstate and other highway users).
(4) The applicant shall confer with municipal planning representatives, DPS, DEC, OPRHP, and where appropriate, APA in its selection of important or representative viewpoints. Viewpoint selection is based upon the following criteria:
(i) representative or typical views from unobstructed or direct line-of-sight views;
(ii) significance of viewpoints, designated scenic resources, areas or
features (which features typically include, but are not limited to: landmark landscapes; wild, scenic or recreational rivers administered respectively by either the DEC or the APA pursuant to ECL Article 15 or Department of Interior pursuant to 16 USC Section 1271; forest preserve lands, scenic vistas specifically identified in the Adirondack Park State Land Master Plan, conservation easement lands, scenic byways designated by the federal or state governments; Scenic districts and scenic roads, designated by the Commissioner of Environmental Conservation pursuant to ECL Article 49 scenic districts; Scenic Areas of Statewide Significance; state parks or historic sites; sites listed on National or State Registers of Historic Places; areas covered by scenic easements, public parks or recreation areas; locally designated historic or scenic districts and scenic overlooks; and high-use public areas;

(iii) level of viewer exposure, i.e., frequency of viewers or relative numbers, including residential areas, or high volume roadways;

(iv) proposed land uses;

(v) input from local public sources; and

(vi) building/structure data collected for each potentially eligible property prepared in a format acceptable to OPRHP and DPS and submitted to OPRHP and DPS for review prior to completing the viewpoint selection.

(5) Photographic simulations of the facility and interconnections shall be prepared from the representative viewpoints to demonstrate the post-construction appearance of the facility. Where vegetation screening is relied on for project mitigation, leaf-off and leaf-on simulation shall be provided. Representative viewpoints shall be established in consultation with DEC, DPS, OPRHP, and APA where appropriate.

(6) Additional revised simulations illustrating mitigation shall be prepared for those observation points for which mitigation is proposed in the application.

(7) Each set of existing and simulated views of the facility shall be compared and rated and the results of the visual impact assessment shall be summarized. Documentation of the steps followed in the rating and assessment methodology shall be provided including results of rating impact panels and a description of the qualifications of the individuals serving on the panels. Where visual impacts from the proposed facility are identified, potential mitigation measures shall be outlined, and the extent to which they effectively minimize such impact shall be discussed.

(8) As applicable to the proposed facility technology, the analysis shall include analyses of overall appearance and operational characteristics of the facility and related facilities, including stack and cooling tower plume visibility, shading, glare, shadow flicker, or related visible effects of facility operation, including an assessment of the predicted extent, frequency, and duration of any such visible effects created by the facility.
sight distances;
(2) for wind turbine sites, access road locations and widths, including characterizations of road intersection suitability.
(b) A description of the pre-construction characteristics of the roadways in the vicinity of the facility, including:
(1) a review of existing data on vehicle traffic, use levels and accidents;
(2) a review of transit facilities and routes, including areas of school bus service;
(3) an identification of potential approach and departure routes to and from the facility site for police, fire, ambulance and other emergency vehicles;
(4) a review of available load bearing and structural rating information for expected facility traffic routes; and
(5) in congested urbanized areas, the results of twenty-four hour traffic volume counts and peak turning movement counts for typical weekday morning, weekday afternoon, and Saturday peaks, at representative critical intersections.
(c) An estimate of the trip generation characteristics of the facility during both construction and operation, including:
(1) for each major phase of construction, and for the operation phase, an estimate of the number and frequency of vehicle trips, including time of day and day of week arrival and departure distribution, by size, weight and type of vehicle;
(2) an identification of approach and departure routes to and from the facility site out to a 5-mile distance for vehicles carrying water, fuel oil, bulk fuels (including wood, biomass, coal and municipal solid waste), chemicals or hazardous materials for construction or operation of the facility;
(3) for major cut or fill activity (spoil removal or deposition at the facility site and affected interconnection areas), a separate estimate of the number and frequency of vehicle trips, including time of day and day of week arrival and departure distribution, and including a delineation of approach and departure routes, by size, weight and type of vehicle; and
(4) an identification of approach and departure routes to and from the facility site for construction workers and employees of the facility.
(d) An analysis and evaluation of the traffic and transportation impacts of the facility, including:
(1) a comparison of projected future traffic conditions with and without the proposed facility, the analysis to be conducted separately for the peak construction impacts of the facility and for the typical operations of the completed facility, including in congested urbanized areas a calculation and comparison of the level of service for each representative intersection, giving detail for each turning movement;
(2) an evaluation of the adequacy of the road system to accommodate the projected traffic, the analysis to be conducted separately for the peak construction impacts of the facility and for the typical operations of the completed facility, the analysis to also include an identification of the extent and duration of traffic interferences during construction of the facility and any interconnections;
(3) an assessment of over-size load deliveries, and the adequacy of roadway systems to accommodate oversize and over-weight vehicles; improvements necessary to accommodate oversize or overweight deliveries;
impacts associated with such improvements; and mitigation measures appropriate to minimize such impacts;

(4) an identification and evaluation of practical mitigation measures regarding traffic and transportation impacts, including time restrictions, the use of alternative technologies, the construction of physical roadway improvements, the installation of new traffic control devices, and the repair of local roads due to damage by heavy equipment or construction activities during construction or operation of the facility; and

(5) a description of all road use and restoration agreements between the applicant and landowners, municipalities, or other entities, regarding repair of local roads damaged by heavy equipment or construction activities during construction or operation of the facility.

(e) An analysis and evaluation of the impacts of the facility on airports and airstrips, railroads, subways, buses and any other mass transit systems in the vicinity of the facility. The analysis and evaluation shall include impacts on military training and frequent military operations in the National Airspace System and Special Use Airspace designated by the Federal Aviation Administration.

(f) If any construction or alteration is proposed that requires a Notice of Proposed Construction to be submitted to the administrator of the Federal Aviation Administration (FAA) in accordance with 14 Code of Federal Regulations, Part 77 pursuant to 49 U.S.C., Section 44718 (generally required for all construction or alteration of more than 200 feet in height above the ground level, and for certain other construction or alteration near or at civilian public airports and heliports and military airports and heliports or in instrument approach areas as defined by the FAA):

(1) The application shall include a statement that the applicant has:
   (i) received an informal Department of Defense review of the proposed construction or alteration in accordance with 32 Code of Federal Regulations, Section 211.7; or
   (ii) received a formal Department of Defense review of the proposed construction or alteration in accordance with 32 Code of Federal Regulations, Section 211.6.

(2) If such construction or alteration is proposed to be located:
   (i) Within 12 miles of the nearest point of the nearest runway of a commercial service, cargo service, reliever or general aviation (public use) airport or a military airport with at least one runway more than 3,200 feet in actual length; or
   (ii) Within 6 miles of the nearest point of the nearest runway of a commercial service, cargo service, reliever or general aviation (public use) airport or a military airport with its longest runway no more than 3,200 feet in actual length; or
   (iii) Within 3 miles of the nearest point of the nearest landing and takeoff area of a commercial service, cargo service, reliever or general aviation (public use) heliport or military heliport:

The application shall include a statement that the applicant has consulted with the operators of such airports and heliports that are non-military facilities, has provided a detailed map and description of such construction or alteration to such operators, and has requested review of and comment on such construction or alteration by such operators.
The application shall include a statement that the applicant has provided a detailed map and description of such construction or alteration to the operators (Base Commanders) of such airports and heliports that are military facilities.

(3) The application shall include a detailed description of the responses received in such reviews and consultations required in paragraphs (1) and (2) of this Subdivision, including specifically whether and why such operators believe such construction or alteration should be:

(i) unrestricted;
(ii) subject to site-specific requirements; or
(iii) excluded from certain areas.

Exhibit 26 shall contain:

(a) An identification of all existing broadcast communication sources within a two-mile radius of the facility and the electric interconnection between the facility and the point of interconnection, unless otherwise noted, including:
   (1) AM radio;
   (2) FM radio;
   (3) television;
   (4) telephone;
   (5) microwave transmission (all affected sources, not limited to a two-mile radius);
   (6) emergency services;
   (7) municipal/school district services;
   (8) public utility services;
   (9) Doppler/weather radar (all affected sources, not limited to a two-mile radius);
   (10) air traffic control (all affected sources, not limited to a two-mile radius);
   (11) armed forces (all affected sources, not limited to a two-mile radius);
   (12) GPS;
   (13) LORAN (all affected sources, not limited to a two-mile radius);
   and
   (14) amateur radio licenses registered to users.

(b) An identification of all existing underground cable and fiber optic major transmission telecommunication lines within a two-mile radius of the facility and the electric interconnection between the facility and the point of interconnection.

(c) A statement describing the anticipated effects of the proposed facility and the electric interconnection between the facility and the point of interconnection on the communications systems required to be identified pursuant to subdivision (a) and (b) of this section, including the potential for:
   (1) structures to interfere with broadcast patterns by re-radiating the broadcasts in other directions;
   (2) structures to block necessary lines-of-sight;
   (3) physical disturbance by construction activities;
   (4) adverse impacts to co-located lines due to unintended bonding; and
   (5) any other potential for interference.

(d) An evaluation of the design configuration of the proposed facility
and electric interconnection between the facility and the point of interconnection demonstrating that there shall be no adverse effects on the communications systems required to be identified pursuant to subdivision (a) and (b) of this section.

(e) A description of post-construction activities that shall be undertaken to identify and mitigate any adverse effects on the communications systems required to be identified pursuant to subdivision (a) and (b) of this section that occur despite the design configuration of the proposed facility and electric interconnection between the facility and the point of interconnection.

(f) For wind power facilities, an evaluation of the design configuration of the proposed facility and electric interconnection between the facility and the point of interconnection demonstrating that there shall be no adverse effects on or interference with radar or instrument systems used for air traffic control, guidance, weather, or military operations including training.

.S0 DOC 16C-1001.27                              NYCRR
1001.27 Exhibit 27: socioeconomic effects.
Exhibit 27 shall contain:
(a) An estimate of the average construction work force, by discipline, for each quarter, during the period of construction; and an estimate of the peak construction employment level.
(b) An estimate of the annual construction payroll, by trade, for each year of construction and an estimate of annual direct non-payroll expenditures likely to be made in the vicinity of the facility (materials, services, rentals, and similar categories) during the period of construction.
(c) An estimate of the annual secondary employment and economic activity likely to be generated in the vicinity of the facility by the construction of the plant. This analysis shall state the basis of any economic multiplier factor or other assumption used.
(d) An estimate of the number of jobs and the on-site payroll, by discipline, during a typical year once the plant is in operation, and an estimate of other expenditures likely to be made in the vicinity of the facility during a typical year of operation.
(e) An estimate of the annual secondary employment and economic activity likely to be generated in the vicinity of the facility by its operation.
(f) An estimate of incremental school district operating and infrastructure costs due to the construction and operation of the facility, this estimate to be made after consultation with the affected school districts.
(g) An estimate of incremental municipal, public authority, or utility operating and infrastructure costs that will be incurred for police, fire, emergency, water, sewer, solid waste disposal, highway maintenance and other municipal, public authority, or utility services during the construction and operation phases of the facility (this estimate to be made after consultation with the affected municipalities, public authorities, and utilities).
(h) An identification of all jurisdictions (including benefit assessment districts and user fee jurisdictions) that levy real property taxes or benefit assessments or user fees upon the facility site, its improvements and appurtenances and any entity from which payments in lieu of taxes will or may be negotiated.
(i) For each jurisdiction, an estimate of the incremental amount of annual taxes (and payments in lieu of taxes, benefit charges and user charges) it is projected would be levied against the post-construction facility site, its improvements and appurtenances.

(j) For each jurisdiction, a comparison of the fiscal costs to the jurisdiction that are expected to result from the construction and operation of the facility to the expected tax revenues (and payments in lieu of taxes, benefit charge revenues and user charge revenues) generated by the facility.

(k) An analysis of whether all contingency plans to be implemented in response to the occurrence of a fire emergency or a hazardous substance incident can be fulfilled by existing local emergency response capacity, and in that regard identifying any specific equipment or training deficiencies in local emergency response capacity (this analysis to be made after consultation with the affected local emergency response organizations).

(l) A detailed statement indicating how the proposed facility and interconnections are consistent with each of the state smart growth public infrastructure criteria specified in ECL 6-0107, or why compliance would be impracticable.

Exhibit 28 shall contain:

(a) An identification and evaluation of significant and adverse disproportionate environmental impacts of the proposed facility, if any, resulting from its construction and operation, including any studies which were used in the evaluation identifying the author and dates thereof, in a manner that is in accordance with any requirements for the contents of an Article 10 application contained in 6 NYCRR Part 487.

(b) Separately stated for all significant and adverse disproportionate environmental impacts of the proposed facility resulting from its construction and operation required to be identified pursuant to subdivision (a) of this section, a description of:

(1) The specific measures the applicant proposes to take to avoid such impacts to the maximum extent practicable for the duration that the Certificate is granted, including a description of the manner in which such impact avoidance measures will be verified and a statement of the cost of such measures.

(2) If such impacts cannot be avoided, measures the applicant proposes to take to minimize such impacts to the maximum extent practicable for the duration that the Certificate is granted, including a description of the manner in which such impact mitigation measures will be verified and a statement of the cost of such measures.

(3) If such impacts cannot be avoided, the specific measures the applicant proposes to take to offset such impacts to the maximum extent practicable for the duration that the Certificate is in effect, including a description of the manner in which such impact offset measures will be verified and a statement of the cost of such measures.

(c) A qualitative and where possible quantitative analysis demonstrating that the scope of avoidance, mitigation and offset measures is appropriate given the scope of significant and adverse disproportionate environmental impacts of the proposed facility resulting from its construction and operation.
1001.29 Exhibit 29: site restoration and decommissioning.
Exhibit 29 shall contain:
(a) A statement of the performance criteria proposed for site restoration in the event the facility cannot be completed and for decommissioning of the facility, including a discussion of why the performance criteria are appropriate. Among other things, the statement shall address:
   (1) safety and the removal of hazardous conditions;
   (2) environmental impacts;
   (3) aesthetics;
   (4) salvage and recycling;
   (5) potential future uses for the site; and
   (6) the useful life of the facility.
(b) A plan for the decommissioning and restoration of the facility site including how such decommissioning and restoration shall be funded and a schedule for the conduct of decommissioning and site restoration activities.
(c) For wind-powered generation facilities and other facilities to be located on lands owned by another, a description of all site restoration, decommissioning and guaranty/security agreements between the applicant and landowner, municipality, or other entity, including provisions for turbines, foundations, and electrical collection, transmission, and interconnection facilities.
(d) For nuclear power facilities, a plan for a trust fund to ensure:
   (1) sufficient funding will be available to decommission the non-radiological portions of the facility and restore the site assuming a reasonable life expectancy for the facility and the commencement of decommissioning upon the cessation of operation of the facility; and
   (2) segregation of funds such that radiological decommissioning and site restoration activities do not exhaust funds needed to decommission the non-radiological portions of the facility and to restore the site.

1001.30 Exhibit 30: nuclear facilities.
(a) If the applicant's proposal is for a nuclear power facility, it shall (contemporaneously with the filing of its Article 10 application) file with the Secretary one electronic and two paper copies and shall serve on the Commissioner of DEC one paper copy of its combined license application (including environmental report and preliminary safety analysis report) filed or to be filed with the U.S. Nuclear Regulatory Commission (NRC). If the NRC application is not available at the time the applicant files its Article 10 application, the applicant shall file and serve it as soon as it is available. On a continuing basis, the applicant shall file with the Secretary a copy of:
   (1) any filing it makes with the NRC;
   (2) any filing it makes with any other governmental entity with respect to its NRC application;
   (3) if the filings referenced in paragraphs (1) and (2) of this subdivision were made in response to requests for additional information, such requests; and
   (4) any decisions of the NRC with respect to its NRC application.
(b) The applicant shall periodically notify the Secretary and each party of the status of its NRC application.
(c) If a nuclear power facility is proposed, Exhibit 30 shall contain: Information assessing the impacts on public health, public safety and
the environment from radiation or radiological contamination attributable to testing, operation and decommissioning of the nuclear facility or on-site temporary or permanent storage of spent nuclear fuel and other related radioactive wastes or residue, as well as information assessing emergency planning, except the provision of this information shall not result in litigation in the Article 10 proceeding of any issue solely within the jurisdiction of the NRC.

1001.31 Exhibit 31: local laws and ordinances.

Before preparing the exhibit required by this section, the Applicant shall consult with the municipalities or other local agencies whose requirements are the subject of the exhibit to determine whether the Applicant has correctly identified all such requirements and to determine whether any potential request by the Applicant that the Board elect to not apply any such local requirement could be obviated by design changes to the proposed facility, or otherwise.

As the information to be included in the application pursuant to this section will be used by parties to determine their positions in the issues conference and the remainder of the hearing phase of the proceeding, the lists should be created with care so as not to cause any party to needlessly expend resources due to a misclassification. For local procedural requirements supplanted by PSL ð172, the Applicant shall not request that the Board elect not to apply them.

Misclassification of items or the inclusion of unnecessary or inappropriate items may be grounds for finding the application not in compliance. Applicants must carefully screen their lists to correctly reflect local actions not for the construction or operation of the proposed major electric generating facility.

Exhibit 31 shall contain:

(a) A list of all local ordinances, laws, resolutions, regulations, standards and other requirements applicable to the construction or operation of the proposed major electric generating facility (includes interconnection electric transmission lines and fuel gas transmission lines that are not subject to review under Article VII of the PSL) that are of a procedural nature. These local procedural requirements are supplanted by PSL ð172 unless the Board expressly authorizes the exercise of the procedural requirement by the local municipality or agency.

(b) A list of all local procedural requirements required to be identified pursuant to subdivision (a) of this section for which the Applicant requests that the Board expressly authorize the exercise of the procedural requirement by the local municipality or agency, including a statement why such local exercise would be desirable or appropriate.

(c) Identification of the city, town, village, county, or State agency qualified by the Secretary of State that shall review and approve the building plans, inspect the construction work, and certify compliance with the New York State Uniform Fire Prevention and Building Code, the Energy Conservation Construction Code of New York State, and the substantive provisions of any applicable local electrical, plumbing or building code. If no other arrangement can be made, the Department of State should be identified. The statement of identification shall include a description of the preliminary arrangement made between the Applicant and the entity that shall perform the review, approval,
inspection, and compliance certification, including arrangements made to pay for the costs thereof including the costs for any consultant services necessary due to the complex nature of such facilities. If the applicable city, town or village has adopted and incorporated the New York State Uniform Fire Prevention and Building Code for administration into its local electric, plumbing and building codes, the Applicant may make a request pursuant to subdivision (b) of this section that the Board expressly authorize the exercise of the electric, plumbing and building permit application, inspection and certification processes by such city, town or village.

(d) A list of all local ordinances, laws, resolutions, regulations, standards and other requirements applicable to the construction or operation of the proposed major electric generating facility (includes interconnection electric transmission lines and fuel gas transmission lines that are not subject to review under Article VII of the PSL) that are of a substantive nature, together with a statement that the location of the facility as proposed conforms to all such local substantive requirements, except any that the applicant requests that the Board elect to not apply. Copies of zoning, flood plain and similar maps, tables and/or documents shall be included in the exhibit when such are referenced in such local substantive requirements. Pursuant to PSL § 168(3)(e), the Board must find that the facility is designed to operate in compliance with these local substantive requirements, all of which shall be binding upon the applicant, unless the Board elects to not apply them by finding that, as applied to the proposed facility such are unreasonably burdensome in view of the existing technology or the needs of or costs to ratepayers whether located inside or outside of such municipality.

(e) A list of all local substantive requirements required to be identified pursuant to subdivision (d) of this section for which the Applicant requests that the Board elect to not apply them by finding that, as applied to the proposed facility such are unreasonably burdensome in view of the existing technology or the needs of or costs to ratepayers whether located inside or outside of such municipality. For each local substantive requirement identified, a statement justifying the request shall be provided. The statement of justification shall show with facts and analysis the degree of burden caused by the requirement, why the burden should not reasonably be borne by the Applicant, that the request cannot reasonably be obviated by design changes to the proposed facility, the request is the minimum necessary, and the adverse impacts of granting the request are mitigated to the maximum extent practicable. The statement shall include a demonstration:

(1) for requests grounded in the existing technology, that there are technological limitations (including governmentally imposed technological limitations) related to necessary facility component bulk, height, process or materials that make compliance by the applicant technically impossible, impractical or otherwise unreasonable;

(2) for requests grounded in factors of costs or economics (likely involving economic modeling), that the costs to consumers associated with applying the local substantive requirement outweigh the benefits of applying such provision; and

(3) for requests grounded in the needs of consumers, that the needs of consumers for the facility outweigh the impacts on the community that
would result from refusal to apply the local substantive requirement.

(f) A list of all local ordinances, laws, resolutions, regulations, standards and other requirements applicable to the interconnection to or use of water, sewer, telecommunication and steam lines in public rights of way that are of a procedural nature. These local procedural requirements are not supplanted unless the Board elects to not apply them by finding that, as applied to the proposed facility interconnections such are unreasonably burdensome in view of the existing technology or the needs of or costs to ratepayers whether located inside or outside of such municipality.

(g) A list of all local ordinances, laws, resolutions, regulations, standards and other requirements applicable to the interconnection to or use of water, sewer, telecommunication and steam lines in public rights of way that are of a substantive nature. These local substantive requirements are not supplanted unless the Board elects to not apply them by finding that, as applied to the proposed facility interconnections such are unreasonably burdensome in view of the existing technology or the needs of or costs to ratepayers whether located inside or outside of such municipality.

(h) A list of all local procedural or substantive requirements required to be identified pursuant to subdivisions (f) and (g) of this section for which the Applicant requests that the Board elect to not apply them by finding that, as applied to the proposed facility interconnections such are unreasonably burdensome in view of the existing technology or the needs of or costs to ratepayers whether located inside or outside of such municipality. For each local procedural or substantive requirement identified, a statement justifying the request shall be provided. The statement of justification shall show with facts and analysis the degree of burden caused by the requirement, why the burden should not reasonably be borne by the Applicant, that the request cannot reasonably be obviated by design changes to the proposed facility, the request is the minimum necessary, and the adverse impacts of granting the request are mitigated to the maximum extent practicable. The statement shall include a demonstration:

(1) for requests grounded in the existing technology, that there are technological limitations (including governmentally imposed technological limitations) related to necessary facility component bulk, height, process or materials that make compliance by the applicant technically impossible, impractical or otherwise unreasonable;

(2) for requests grounded in factors of costs or economics (likely involving economic modeling), that the costs to consumers associated with applying the local substantive requirement outweigh the benefits of applying such provision; and

(3) for requests grounded in the needs of consumers, that the needs of consumers for the facility outweigh the impacts on the community that would result from refusal to apply the local substantive requirement.

(i) A summary table of all local substantive requirements required to be identified pursuant to subdivisions (d) and (g) of this section in two columns listing the provisions in the first column and a discussion or other showing demonstrating the degree of compliance with the substantive provision in the second column.

(j) An identification of the zoning designation or classification of all lands constituting the site of the proposed facility and a statement of the language in the zoning ordinance or local law by which it is
indicated that the proposed facility is a permitted use at the proposed site. If the language of the zoning ordinance or local law indicates that the proposed facility is a permitted use at the proposed site subject to the grant of a special exception, a statement of the criteria in the zoning ordinance or local law by which qualification for such a special exception is to be determined.

NYCRR 1001.32 Exhibit 32: state laws and regulations.

Before preparing the exhibit required by this section, the Applicant shall consult with the state agencies and authorities whose requirements are the subject of the exhibit to determine whether the Applicant has correctly identified all such requirements.

As the information to be included in the application pursuant to this section will be used by parties to determine their positions in the issues conference and the remainder of the hearing phase of the proceeding, the lists should be created with care so as not to cause any party to needlessly expend resources due to a misclassification. Misclassification of items or the inclusion of unnecessary or inappropriate items may be grounds for finding the application not in compliance. Applicants must carefully screen their lists to correctly reflect state actions not for the construction or operation of the proposed major electric generating facility.

Exhibit 32 shall contain:

(a) A list of all state approvals, consents, permits, certificates, or other conditions for the construction or operation of the proposed major electric generating facility (including interconnection electric transmission lines and fuel gas transmission lines that are not subject to review under Article VII of the PSL) of a procedural nature. These state procedural requirements are supplanted by PSL Article 10, except for permits to be issued by the DEC pursuant to Federal recognition of State authority, or pursuant to federally delegated or approved authority, in accordance with the Clean Water Act, the Clean Air Act and the Resource Conservation and Recovery Act, and permits pursuant to Section 15-1503, Title 9 of Article 27, and Articles 17 and 19 of the ECL, unless the Board expressly authorizes the exercise of such authority by the state agency.

(b) A list of all state procedural requirements required to be identified pursuant to subdivision (a) of this section for which the Applicant requests that the Board expressly authorize the exercise of such authority by the state agency, including a statement why such exercise would be desirable or appropriate.

(c) A list of all state approvals, consents, permits, certificates, or other conditions for the construction or operation of the proposed major electric generating facility (including interconnection electric transmission lines and fuel gas transmission lines that are not subject to review under Article VII of the PSL) of a substantive nature, together with a statement that the facility as proposed conforms to all such state substantive requirements. Pursuant to PSL § 168(3) (e), the Board must find that the facility is designed to operate in compliance with these state substantive requirements, all of which shall be binding upon the applicant.

(d) A summary table of all state substantive requirements required to be identified pursuant to subdivision (c) of this section in two columns listing the provisions in the first column and a discussion or other
showing demonstrating the degree of compliance with the substantive provision in the second column.

(e) A list of all state approvals, consents, permits, certificates, or other conditions for the construction or operation of any proposed offsite interconnections and ancillary features that are not encompassed within the definition of Major Electric Generating Facility. These state actions not for the construction or operation of the proposed major electric generating facility are not supplanted by PSL Article 10 and may be state procedural requirements or state substantive requirements.

1001.33 Exhibit 33: other applications and filings.
Exhibit 33 shall contain:
(a) A statement whether the applicant has pending, or knows of others who have pending, with the Commission or with any other governmental department, agency or court of competent jurisdiction (State or Federal), any application or filing which concerns the subject matter of the proceeding before the Board. If any such applications or filings are pending, the applicant shall state, for each such application or filing, whether the granting of any such application or filing will have any effect on the grant or denial of a Certificate, and whether the grant or denial of a Certificate will have any effect upon the grant or denial of any such other application or filing. The applicant shall notify the Secretary, presiding examiner and each party of any significant change in the status of each such application or filing.
(b) The application shall identify any Federal permit, consent, approval or license that will be required for the construction or operation of the facility. The application shall specify the date on which an application for any such approval was made or the estimated date on which it will be made. The applicant shall notify the Secretary, presiding examiner and each party of any significant change in the status of each such application.

1001.34 Exhibit 34: electric interconnection.
Exhibit 34 shall contain:
A detailed description of the proposed electric interconnection including:
(a) the design voltage and voltage of initial operation;
(b) the type, size, number and materials of conductors;
(c) the insulator design;
(d) the length of the transmission line;
(e) the typical dimensions and construction materials of the towers;
(f) the design standards for each type of tower and tower foundation;
(g) for underground construction, the type of cable system to be used and the design standards for that system;
(h) for underground construction, indicate on a profile of the line the depth of the cable and the location of any oil pumping stations and manholes;
(i) equipment to be installed in any proposed switching station or substation including an explanation of the necessity for any such switching station or substation;
(j) any terminal facility; and
(k) the need for cathodic protection measures.

1001.35 Exhibit 35: electric and magnetic fields.
Exhibit 35 shall contain:

(a) For the entire right-of-way of the proposed power line providing the electrical interconnection between the proposed facility and the existing electric transmission and distribution system, identify every right-of-way segment having unique electric and magnetic field (EMF) characteristics due to structure types and average heights, rights-of-way widths, and co-location of other transmission facilities in the right-of-way.

(b) For each identified right-of-way segment, provide both "base case" and "proposed" cross-sections to scale showing:

(1) all overhead electric transmission, sub-transmission and distribution facilities including the proposed facility showing structural details and dimensions and identifying phase spacing, phasing, and any other characteristics affecting EMF emissions;

(2) all underground electric transmission, sub-transmission and distribution facilities;

(3) all underground gas transmission facilities;

(4) all right-of-way boundaries; and

(5) structural details and dimensions for all structures (dimensions, phase spacing, phasing, and similar categories) and include a Station number identifying the location.

(c) A set of the aerial photos/drawings enhanced by showing the exact location of each:

(1) identified right-of-way segment;

(2) cross-section; and

(3) nearest residence or occupied non-residential building in each identified right-of-way segment with a stated measurement of the distance between the edge of right-of-way and the nearest edge of the residence or building.

(d) An EMF study with calculation tables and field strength graphs for each identified right-of-way segment cross-section, as follows:

(1) the study must be signed and stamped/sealed by a licensed professional engineer registered and in good standing in the State of New York;

(2) provide the name of the computer software program used to model the facilities and make the calculations;

(3) regarding electric fields, model the circuits at rated voltage and provide electric field calculation tables and field strength graphs calculated at one meter above ground level with 5 foot measurement intervals depicting the width of the entire right-of-way and out to 500 feet from the edge of the right-of-way on both sides, including digital copies of all input assumptions and outputs for the calculations;

(4) regarding magnetic fields, model the circuit phase currents equal to the summer normal, summer short term emergency (STE Sum), winter-normal, and winter short term emergency (STE Win) loading conditions and provide magnetic field calculation tables and field strength graphs calculated at one meter above ground level with 5 foot measurement intervals depicting the width of the entire right-of-way and out to 500 feet from the edge of the right-of-way on both sides, including digital copies of all input assumptions and outputs for the calculations;

(5) regarding magnetic fields, also model the circuit phase currents equal to the maximum average annual load estimated to be occurring on the power lines within ten years after the proposed facility is put in
operation and provide magnetic field calculation tables and field strength graphs calculated at one meter above ground level with 5 foot measurement intervals depicting the width of the entire right-of-way and out to 500 feet from the edge of the right-of-way on both sides, including digital copies of all input assumptions and outputs for the calculations; and

(6) regarding magnetic fields, also model a "base case" with the circuit phase currents equal to the maximum average annual load currently estimated to be occurring on the existing power lines within the right-of-way (without construction or operation of the proposed facility) and provide magnetic field calculation tables and field strength graphs calculated at one meter above ground level with 5 foot measurement intervals depicting the width of the entire right-of-way and out to 500 feet from the edge of the right-of-way on both sides, including digital copies of all input assumptions and outputs for the calculations.

.SO DOC 16C-1001.36                              NYCRR
1001.36 Exhibit 36: gas interconnection.
   If a gas interconnection is proposed for the facility, Exhibit 36 shall contain:
   (a) A study of gas supply options, capacity, and system impact, including:
       (1) A detailed description of the proposed gas pipeline interconnection, including all interconnecting facilities, pipeline route, size, operating pressure, volume of gas required to serve the facility, the need for new on-site compression, and identifying who shall construct, own and operate the pipeline facilities.
       (2) An analysis demonstrating that there shall be sufficient gas supply and gas transmission capacity to support the requirements of the facility.
       (3) An estimate of the peak hour, peak day, seasonal and annual natural gas requirements of the facility.
       (4) An identification of the nature and extent of the natural gas capacity and transportation service as firm, interruptible, or both.
       (5) An evaluation of the potential impacts of the facility on the gas distribution system of the Local Distribution Company (LDC).
       (6) A discussion of the impact of the facility use of gas on wholesale supplies and prices in the region using the same transmission facilities as the facility.
   (b) A description and preliminary design details for the gas interconnection including:
       (1) class criteria for the interconnection pipeline location;
       (2) location and design of valves;
       (3) a plan for pressure testing of the station piping facilities, indicating applicable code, standards and procedures for testing and release of test medium; and
       (4) the need for cathodic protection measures.

.SO DOC 16C-1001.37                              NYCRR
1001.37 Exhibit 37: back-up fuel.
   If a back-up fuel is proposed for the facility, Exhibit 37 shall contain:
   (a) A description of the circumstances under which fuel oil shall be burned in the facility and a description of all onsite facilities and interconnections required for the transportation, storage and combustion
of fuel oil, including:

1. a chemical analysis of the back-up fuel;
2. an estimate of the rate of fuel oil consumption at full power output;
3. a description of any fuel oil storage tank(s), including the storage capacity of the tank(s) and a description of any secondary containment structures proposed to be constructed around the tank and off loading areas and any other facilities or measures proposed to prevent, contain or clean up oil spills;
4. an estimate of the maximum period that the plant could burn oil without refueling;
5. a description of the proposed method of oil delivery and on site oil delivery infrastructure or offsite interconnections and an estimate of the maximum rate of delivery, given the transportation methods and facilities proposed;
6. an estimate of the expected frequency and duration of oil firing of the facility and a discussion of the assumptions and analyses used to arrive at this estimate; and
7. a statement of the number of days of back-up fuel supply to be maintained including a discussion as to whether such number will be sufficient to conform to Commission policies on minimum back-up fuel supply quantities.

(b) If it is proposed to store more than 400,000 gallons of fuel oil at the facility site:
1. a copy of any Spill Prevention, Countermeasures and Control (SPCC) Plan required pursuant to federal regulations;
2. an application for a Major Petroleum Facility License pursuant to Article 12 of the Navigation Law, Section 174 (licenses), 17 NYCRR Part 30 (Oil Spill Prevention and Control- Licensing of Major Facilities), 6 NYCRR Part 610 (Certification of Onshore Major Facilities), and 6 NYCRR Parts 612 through 614 (Petroleum Bulk Storage Regulations).
3. An identification and evaluation of reasonable alternatives to the use of fuel oil as a back-up fuel, including the feasibility of not having fuel oil back-up capability.
4. A discussion of the impact of the facility use of fuel oil on wholesale supplies and prices in the affected region.
5. If it is proposed to use a back-up fuel other than fuel oil, an identification of the proposed back-up fuel and such information for the identified back-up fuel as is required for fuel oil as a back-up fuel pursuant to subdivisions (a) through (d) of this section, to the degree such information is applicable.

SO DOC 16C-1001.38
1001.38 Exhibit 38: water interconnection.
If a water interconnection is proposed for the facility, Exhibit 38 shall contain:
(a) An estimate of the hourly and daily peak, and the hourly and daily average water supply needs and consumptive water losses of the facility, in gallons, for each day of a typical year, broken down by power production and domestic uses, with daily, monthly and annual totals.
(b) An estimate of the daily peak, daily average, and fire suppression peak and average flow rate needs of the facility in gallons per minute and a demonstration that an adequate water supply is available (both quantity and pressure) for fire protection during both normal and drought periods.
(c) A description of the methodology used (i.e., estimate, comparison, data, calculation) to prepare the water supply needs and minimum and maximum flow rate estimates stating all factors used.

(d) A description of the water chemistry requirements for water to be supplied to the facility, indicating any requirements that are more stringent than New York State standards for potable water, and describing any additional water treatment that shall be necessary to obtain the desired chemistry.

(e) An identification of the public water supply source or sources, including an identification of the well field(s) in the localized zone, proposed to be used by the facility, including:

1. studies to assess the available capacity of the water supply source and an analysis of the impacts, in terms of quantity, quality, and pressure during both normal and drought periods of the facility's water use on the water supply system, including an identification of the well field(s) in the localized zone;

2. an identification of all infrastructure requirements necessary to serve the facility including treatment requirements;

3. the impact of the facility on excess infrastructure capacity, including distribution piping, mains, pumps, storage, or additional supply during both normal and maximum system demands;

4. if use of surface water or an on-site well is proposed for water supply for the facility, a qualitative analysis of the water balance and an assessment of the impacts of the removal of the maximum daily withdrawal for the facility, particularly during drought periods, on stream flows and the ecological balance of waterbodies, including hydrogeological studies to clearly demonstrate the effect of this withdrawal on any contaminant plumes that have the potential to be influenced by the proposed well. These studies must state all methods used to promote that this withdrawal will not adversely affect any public or private wells.

5. if new surface water withdrawal is proposed for water supply for the facility, an identification and description of any water treatment facilities and intake structures including a demonstration that each facility represents Best Technology Available, if applicable; and

6. an identification and description of any facility water treatment facilities.

(f) A detailed description of the proposed water interconnection, including all interconnecting facilities, line route, size, functions, design details, and operating characteristics.

(g) A description of the status of negotiations, and a copy of agreements that have been executed, with municipalities, public authorities, companies or individuals for providing water to the facility, including permitting implications/modification requirements and restrictions, if any, imposed by the provider, and a preliminary description of how the interconnection and any necessary system upgrades are to be installed, owned, maintained and funded.

(h) An identification and evaluation of other reasonable water supply alternatives and mitigation measures to avoid or minimize water supply impacts, including a contingency plan, if required, for water use curtailment during times of drought or water emergency, describing thresholds for water use curtailment.

(i) A description and evaluation of compliance with any requirements regarding water withdrawals contained in applicable state regulations,
the Great Lakes Compact, or any requirements of the Susquehanna and Delaware River Basin Commissions.


The information provided in this exhibit shall be presented in a manner that distinguishes between sanitary wastewater, process wastewater, and intermingled sanitary and process wastewater. If a sanitary or process wastewater sewer interconnection is proposed for the facility, Exhibit 39 shall contain:

(a) A detailed description of the proposed wastewater sewer interconnection, including all interconnecting facilities, line route, size, functions, and operating characteristics.

(b) A separate water balance diagram for hourly and daily peak and hourly and daily average water use operating conditions for the facility that shows in detail all water sources, plant water uses, water treatment facilities, wastewater treatment facilities, wastewater discharges and which effluents shall be discharged, and where, including information on the characteristics (e.g. volume, temperature, constituent concentrations) of each water withdrawal and discharge under all operating conditions.

(c) An identification and evaluation of reasonable mitigation measures regarding wastewater generation and disposal impacts, including the use of on-site subsurface disposal.

(d) An identification and description of all reasonable discharge or disposal methods for wastewater generated from the facility, including a review of options for discharging to municipal sewer systems, aquifer recharge areas, in-ground discharges, or other process wastewater disposal, as well as, where applicable, an analysis of the impacts on water quality and quantity in affected groundwater and surface water resources, and an analysis of the impacts of any out-of-aquifer transfers.

(e) A description of available capacity and any limitations on wastewater disposal capacity.

(f) If a municipal or private sewage treatment system is proposed to be used, a description of the status of negotiations, or a copy of agreements that have been executed, with municipalities, companies or individuals for receiving wastewater from the facility including any restrictions or conditions of approval placed on the facility for wastewater disposal, if any, imposed by the provider, and a description of how the interconnection and any necessary system upgrades will be installed, owned, maintained and funded.

(g) For each proposed discharge, an identification and description of any facility wastewater treatment facilities and discharge structures, including a demonstration that each facility and/or effluent discharge will meet all applicable effluent limitations or pretreatment standards, as well as all applicable New York State water quality standards, during construction and operation.

(h) A completed application for the State Pollutant Discharge Elimination System (SPDES) Permit and a demonstration that the discharge complies with all applicable technology-based and/or water-quality based effluent limits.

1001.40 Exhibit 40: telecommunications interconnection.

If a telecommunications interconnection is proposed for the facility,
Exhibit 40 shall contain:
(a) A detailed description of the proposed telecommunications interconnection, including all interconnecting facilities, line route, design details, size, functions, and operating characteristics.
(b) An analysis demonstrating that there will be sufficient capacity to support the requirements of the facility.
(c) A description of the status of negotiations, or a copy of agreements that have been executed, with companies or individuals for providing the communications interconnection including any restrictions or conditions of approval placed on the facility imposed by the provider, and a description of how the interconnection and any necessary system upgrades will be installed, owned, maintained and funded.

Exhibit 41: applications to modify or build adjacent.
If the applicant is claiming that its application qualifies for treatment pursuant to PSL § 165(4)(b), Exhibit 41 shall contain:
(a) A statement whether the application is to:
   (1) modify by an increase of more than 25 MW the nameplate capacity of an existing electric generating facility already having a nameplate generating capacity of 25 MW or more; or
   (2) construct a new facility adjacent or contiguous to an existing facility.
(b) A statement that the applicant is the owner of the affected existing major electric generating facility.
(c) For applications to modify existing facilities, a statement that after the modification the applicant will be the owner of the modified existing major electric generating facility.
(d) For applications to construct new facilities adjacent or contiguous to an existing facility, a statement that after the new construction the applicant will be the owner of both the existing facility and the new major electric generating facility.
(e) For applications to construct new facilities adjacent or contiguous to an existing facility, a map drawn to scale demonstrating that the new facility is proposed to be located on the same parcel of real property as the existing facility, on a separate parcel of real property sharing a common border with the parcel of the existing facility, or on separate parcels of real property separated by no more than 500 feet from the parcel of the existing facility.
(f) For emissions of the following substances, a table demonstrating a decrease in the rate of emissions with the name of the substance in the first column, the current hourly emission rate in the second column, the future hourly emission rate in the third column, and the percentage decrease in the rate of emission in the fourth column:
   (1) sulfur dioxide (SO2);
   (2) oxides of nitrogen (NOx);
   (3) carbon dioxide (CO2);
   (4) carbon monoxide (CO);
   (5) particulate matter (PM 2.5, PM 10 and total PM);
   (6) volatile organic compounds (VOCs);
   (7) elemental lead; and
   (8) mercury.
For facilities that are partially replaced or modified, the percentage decrease shall be calculated by comparing the potential to emit of each such contaminant of the existing unit that is to be modified or replaced.
as of the date of application to the future potential to emit each such contaminant of the modified or replacement unit as proposed in the application. For facilities that are sited physically adjacent or contiguous to an existing facility, the percentage decrease shall be calculated by comparing the potential to emit of each such contaminant of the existing facility as of the date of application to the future potential to emit each such contaminant of the existing and new facility combined as proposed in the application.

(g) For emissions of the following substances, a table demonstrating a decrease in the total annual emissions on a pounds-per-year basis with the name of the substance in the first column, the current actual three-year average annual emissions in the second column, the future annual potential to emit in the third column, and the percentage decrease in the annual amount of emissions in the fourth column:

1. sulfur dioxide (SO2);
2. oxides of nitrogen (NOx);
3. carbon dioxide (CO2);
4. carbon monoxide (CO);
5. particulate matter (PM 2.5, PM 10 and total PM);
6. volatile organic compounds (VOCs);
7. elemental lead; and
8. mercury.

The percentage reduction shall be calculated by comparing the past actual emissions of each of the relevant contaminants emitted by the existing facility averaged over the three years preceding the date of application, to the annualized potential to emit each such contaminant of the modified facility or of the combined existing and new facility as proposed in the application.

(h) Information sufficient to demonstrate the introduction of a new cooling water intake structure where such structure withdraws water at a rate equal to or less than closed-cycle cooling would for the modified or replacement unit, or the existing and new facility combined, whichever is applicable.

(i) A table demonstrating a decrease in the heat rate with the current actual heat rate of the existing facility in the first column, the future heat rate for the modified or replacement unit, or the existing and new facility combined, whichever is applicable, in the second column, and the percentage decrease in the heat rate in the third column.

PART 1002 COMPLIANCE FILINGS

(Statutory authority: Public Service Law, § 161(1))
1002.2 General procedures.

(a) The applicant may not commence construction of the facility or interconnections until the applicant has accepted the Certificate in accordance with Section 1000.14 of this subchapter.

(b) The applicant may not commence construction of all or any portion of the facility or interconnections for which the Board has required approval of a compliance filing as a condition precedent to such construction until the applicant has submitted the required compliance filing for that portion of the facility and received approval of it by the Board, or by the Commission after the Board's jurisdiction has ceased.

(c) The applicant shall file an electronic copy and ten paper copies of any compliance filing with the Board, or the Commission after the Board's jurisdiction has ceased, by filing it with the Secretary at the Albany, New York Offices of the DPS and shall serve copies as follows:

(1) one paper copy on the DEC project manager;
(2) one paper copy on each affected DEC regional office;
(3) three paper copies on the DEC at its central office;
(4) one paper copy on any other party specified in the certificate or order requiring the compliance filing; and
(5) an electronic copy on every party to the proceeding.

(d) Any interested person or party may file comments regarding any compliance filing within 21 days of the filing and service of such compliance filing done in accordance with subdivision (c) of this section.

(e) A compliance filing may not be used to request an amendment to a Certificate. If the Secretary determines that a request in a compliance filing is a request for an amendment to a Certificate, the Secretary shall issue a letter denying further processing of such request as a compliance filing.

(f) Compliance filings will not be effective until approved by the Board or by the Commission after the Board's jurisdiction has ceased.

(g) Approval may be made subject to specified terms, conditions, limitations, or modifications.

(h) Decisions on compliance filings will generally be made at the next available session of the Board or the Commission, as the case may be, provided the compliance filing is received sufficiently in advance of such sessions that there is adequate time in the circumstances to receive comments and process the matter, unless additional information is required to make the determination or the nature of the compliance filing warrants additional time for deliberation or analysis.

(i) The standard of review for compliance filings shall be whether the compliance filing reasonably assures compliance with the Certificate.

(j) After a compliance filing is approved, an applicant may request a change in what was so approved as a result of a compliance filing by requesting either a major change or a minor change. Requests for a major change in what was so approved as a result of a compliance filing shall be filed, served and reviewed in the same manner as an original compliance filing pursuant to subdivisions (c) through (i) of this section. Requests for a change in what was approved as a result of a compliance filing in which there is no discernable potential for increased adverse environmental impact and in which there will be no change in the specified terms, conditions, limitations, or modifications
applicable to a prior approval shall be deemed a minor change. A minor change may be requested by filing an electronic copy with the Secretary at the Albany, New York Offices of the DPS and serving an electronic copy on the DEC project manager. The Secretary shall determine whether DPS or the DEC project manager has an objection to the proposed minor change. If there is such an objection, the Secretary shall issue a letter denying further processing of such request as a minor change. If there is no such objection, the Secretary shall issue a letter stating that the minor change may be implemented.

1002.3 General requirements.
The compliance filing shall contain:
(a) a description of and citation to the requirement in a certificate or an order for which compliance is to be demonstrated;
(b) a description of how the applicant will comply with the requirements of the certificate or order; and
(c) final maps, plans, diagrams, drawings, studies, reports or other documents demonstrating compliance.

1002.4 Reporting and inspections.
(a) The Board, or the Commission after the Board’s jurisdiction has ceased, may require the applicant to file written information reports on the construction or operation and the facility and the interconnections. Unlike compliance filings, the information reports are not submitted for approval or action by the Board or the Commission. The applicant shall file an electronic copy with the Board, or the Commission after the Board’s jurisdiction has ceased, by filing it with the Secretary at the Albany, New York Offices of the DPS and shall serve electronic copies on all parties to the proceeding, except that access must be provided in hard copy to any party upon request.
(b) The site and all construction records shall be open to inspection by representatives of the Chairperson of the Board, or the Commission after the Board’s jurisdiction has ceased, during normal working hours. Information requested by such representatives shall be provided in a timely fashion and, in all cases, at least 10 days prior to the initiation of any activity with regard to which the information is requested. If any activity on which information is requested has already been initiated, such information shall be provided within three business days of the request.

APPENDIX 1-A
COMPLAINT, SCHEDULED, AND OFFICE TESTS
WATTHOUR METERS
Watthour Meter Tests made during the month of ____________, 19__
By _______________________________________ Company.
Total number of meters is service ________________________________.

<table>
<thead>
<tr>
<th>FINAL AVERAGE PERCENTAGE REGISTRATION</th>
<th>NUMBER OF METERS</th>
<th>METERS ACQUIRED DURING MONTH</th>
</tr>
</thead>
</table>

COMPLAINT TESTS: Not Registering
MF'R TYPE APPROXIMATE NUMBER
<table>
<thead>
<tr>
<th></th>
<th>Less than 98%</th>
<th>98 to 102%</th>
<th>More than 102%</th>
<th>Indeterminate</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>SCHEDULED TESTS:</td>
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<tr>
<td>Not Registering</td>
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<td>Less than 98%</td>
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<td>98 to 102%</td>
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<td>More than 102%</td>
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<td>Indeterminate</td>
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<td>Total</td>
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<td>OFFICE TESTS:</td>
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<td>98 to 102%</td>
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<td>More than 102%</td>
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<td>Indeterminate</td>
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<td>Total</td>
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The above report is a correct summary of all watthour meter complaint, scheduled and office tests made by this utility, and all tests were conducted according to the rules of the Public Service Commission.

Signed By ______________________  Official Title _________________

.N.Y.C.R.R

[ ] Selective Tests
[ ] Variable Interval
(Watthour Meters)
[ ] Variable Interval
(Demand Register)

APPENDIX 1-B
ANNUAL REPORT OF SELECTIVE OR VARIABLE INTERVAL TEST STATUS
18 MONTHS ENDING_____________________ By ____________________Company

IN SERVICE DATA

<table>
<thead>
<tr>
<th>MFR. AND TYPE</th>
<th>NUMBER IN SERVICE JAN 1.</th>
<th>NUMBER IN SERVICE JAN 1.</th>
<th>NET CHANGE + or -</th>
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</tbody>
</table>

TEST DATA

<table>
<thead>
<tr>
<th>TESTS REQUIRED</th>
<th>TESTS COMPLETED METER PERFORMANCE</th>
<th>**TESTS REQ'D IN FOLLOWING YR</th>
</tr>
</thead>
<tbody>
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</tbody>
</table>

FINAL AVERAGE PERCENTAGE REGISTRATION

Outside More than 98-102% 102%

<table>
<thead>
<tr>
<th>NUMBER</th>
<th>NUMBER</th>
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<th>%</th>
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<th>NUMBER</th>
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</tbody>
</table>
% of total in service January 1. **Based on test results for 12 months as shown above.
The above report is a correct summary of all Selective or Variable Interval Tests made by this utility, and all tests were conducted according to the rules of the Public Service Commission.
Signed By________________

SO DOC 16C-AP1C

NYCRR

APPENDIX 1-C

SERVICE TESTS
WATTHOUR METERS

Watthour Meter Tests made during the month of ................. 19.....
By ............................................................ Company.
Manufacturer’s Name ................................... Meter Type ......
Total number of this type meter in service ..........................
(Only one meter type to be reported on each form)

<table>
<thead>
<tr>
<th>Tests at Heavy Load</th>
<th>Tests at Light Load</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Meters</td>
<td>Number of Meters</td>
</tr>
<tr>
<td>Not Registering</td>
<td></td>
</tr>
<tr>
<td>0.01 to 80</td>
<td></td>
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<tr>
<td>80.01 to 90</td>
<td></td>
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<tr>
<td>90.01 to 95</td>
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<tr>
<td>95.01 to 98</td>
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<td>98.01 to 99</td>
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<td>99.01 to 100</td>
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<td>100.01 to 101</td>
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<tr>
<td>101.01 to 102</td>
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<tr>
<td>102.01 to 105</td>
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<tr>
<td>105.01 to 110</td>
<td></td>
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<tr>
<td>110.01 to 120</td>
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<tr>
<td>Above 120</td>
<td></td>
</tr>
<tr>
<td>Indeterminate</td>
<td></td>
</tr>
</tbody>
</table>
Total Meters Tested

The above report is a correct summary of all Service Tests of the type of watthour meter indicated above made by this utility, and all tests were conducted according to the rules of the Public Service Commission. The above tests are included in the report of Complaint, Scheduled, and Office tests.

Signed by ............................
Official Title ........................

.SOC 16C-AP1D

APPENDIX 1-D

COMPLAINT, SCHEDULED, AND OFFICE TESTS DEMAND METERS AND REGISTERS
Demand Meters Tests made during the month of________, 19___
By _____________________________________________________________ Company

GROUP 1     GROUP 2     GROUP 3            *
Meters in Service ______________________________________________________

<table>
<thead>
<tr>
<th>PERCENTAGE REGISTRATION</th>
<th>NUMBER OF DEMAND METERS</th>
<th>METERS ACQUIRED</th>
</tr>
</thead>
<tbody>
<tr>
<td>IN TERM OF</td>
<td>GROUP</td>
<td>DURING MONTH</td>
</tr>
<tr>
<td>HALF-SCALE</td>
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<tr>
<td>Approximate</td>
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<td></td>
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</tr>
</tbody>
</table>

COMPLAINT TESTS:
Not Registering

Less than 98%

98% to 102%

More than 102%

Indeterminate

Total

SCHEDULED TESTS:
Not Registering

Less than 98%

98% to 102%

More than 102%

Indeterminate

Total
OFFICE TESTS:
Not Registering

Less than 98%

98% to 102%

More than 102%

Indeterminate

Total

* Total Meters Tested                              Total

* Includes Groups 4 and 5

The above report is a correct summary of all demand meter Complaint, Scheduled and Office Tests made by this utility, and all tests were conducted according to the rules of the Public Service Commission.

Signed by___________________

Official Title______________

.SO DOC 16C-AP1E

APPENDIX 1-E
SERVICE TESTS
DEMAND METERS AND REGISTERS
Demand Meter Tests Made during the month of ......................19....
By ..............................................................Company,
Manufacturer's Name ..............................................Meter Type............
Total number of this type meter in service..............................
(Only one meter type to be reported on each form)

========================================================================

Percentage Registration           Demand                * Associated
in Terms of                   Meters                  Watthour Meter
Half-Scale                                            Elements

<table>
<thead>
<tr>
<th>Not Registering</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.01 to 80</td>
</tr>
<tr>
<td>80.01 to 90</td>
</tr>
<tr>
<td>90.01 to 95</td>
</tr>
<tr>
<td>95.01 to 98</td>
</tr>
<tr>
<td>98.01 to 99</td>
</tr>
<tr>
<td>99.01 to 100</td>
</tr>
<tr>
<td>100.01 to 101</td>
</tr>
<tr>
<td>Reporting Group</td>
</tr>
<tr>
<td>-----------------</td>
</tr>
<tr>
<td>Electric, Gas or Electric and Gas (average annual operating revenues exceeding $250,000 in either department)</td>
</tr>
<tr>
<td>Electric, Gas or Electric and Gas (average annual operating revenues between $15,000 and $250,000 in either department)</td>
</tr>
<tr>
<td>Electric, Gas or Electric and Gas (average annual operating revenues $15,000 or less in either department)</td>
</tr>
<tr>
<td>Lessor Electric and Gas Companies</td>
</tr>
<tr>
<td>Inchoate and Dormant Electric and Gas Companies</td>
</tr>
<tr>
<td>Incidental Gas or Electric Business (subject to order of P.S.C., Second District, 11-13-11)</td>
</tr>
<tr>
<td>Incidental Gas or Electric Business (subject to Parts 155 and 295)</td>
</tr>
<tr>
<td>All Steam Companies</td>
</tr>
<tr>
<td>Incidental Steam Business (subject to Part 444)</td>
</tr>
<tr>
<td>Classes A and B (average annual operating revenues of $700,000 or more)</td>
</tr>
</tbody>
</table>
APPENDIX 6-B
DECLARATION OF POLICY
RE
UTILITY EMPLOYEE PENSION COSTS

Consistent with our opinion of March 9, 1950, we hold that employee pensions are elements of current labor costs and as such constitute a present benefit.

The treatment of costs of employee pensions in the determination of rates has been given consideration and the following general policy will govern in such proceedings.

1. All costs of a reasonable pension plan, not provided heretofore, will be allowed as operating expenses in determining rates. Where advance provision is being made for future pension payments, however, a portion of the charge may be considered deferrable to a later period, if in the judgment of the Commission an unreasonable proportion of the pension cost is being charged currently.

2. In determining, for a utility subject to Federal income tax and making advance provision for pension payments, whether its pension plan is a reasonable one, the Commission will give consideration to whether the plan is approved by or acceptable to the Commissioner of Internal Revenue for tax proposes.

3. Under ordinary circumstances no portion of the pension charges will be disallowed on the ground that it relates exclusively to a prior service period. However, where the adoption of a comprehensive program of advance provision is unreasonably deferred, the charges may be disallowed to the extent that the recognized liability on the date of adoption is increased and the increase is directly attributable to the extended lapse of time.

4. Ordinarily a utility will not be permitted to spread over a period of less than ten years provision for that portion of pension costs which are considered to arise from service prior to the date at which
provision for future pension payments had been commenced or shall hereafter be commenced. The particular period is to be determined in each case with due regard to the financial burden involved.

5. While paragraph 1 recognizes all employee pension costs as operating expenses, this does not prohibit a utility from allocating to construction and retirement work orders and to clearing and other accounts an applicable portion of the cost of employee pensions.

APPENDIX 6-C
OPINION OF THE COMMISSION -- DECLARATION OF POLICY RE EMPLOYEE PENSION COSTS

Eddy, Commissioner:

The problem of the accounting treatment of pensions is one of increasing importance. This Commission last passed directly on the problem in Case 11800 involving the Village of Lake Placid. The Utility Workers Union, CIO, requested this Commission to reconsider its previous attitude as expressed in that case, and for that reason this proceeding was brought dealing with all of the prescribed accounting systems for the various utilities under the jurisdiction of the Commission.

It was announced at the hearing that tentatively the Commission, after having taken the briefs of the parties, would prepare proposed changes in its accounting regulations. Such changes are in the course of preparation, and will be considered at a future hearing.

There are presently before the State Legislature certain proposed amendments to the Public Service Law dealing with the problem. Since it does not presently seem possible to afford an adequate hearing on the proposed changes before the Legislature adjourns, the Commission feels that a general statement of the principles by which this Commission will be guided should presently be made.

There has been throughout the last thirty years a very great change in the social thinking of this country in respect to pensions. At one time, as defined by the Court of Appeals (see 268 N.Y. 228), pensions were regarded as a "gratuity of the sovereign". Gradually that concept has changed until today pensions are regarded not as a favor or a gift but as part of the compensation of the employee. We think there can be no better statement than that quoted by the Circuit Court of Appeals for the Seventh Circuit in the Inland Steel case, 170 F.2d 247:

"... we are convinced and find that the term 'wages' as used in Section 9(a) must be construed to include emoluments of value, like pension and insurance benefits, which may accrue to employees out of their employment relationship... Realistically viewed, this type of wage enhancement or increase, no less than any other, becomes an integral part of the entire wage structure, and the character of the employee representative's interest in it, and the terms of its grant, is no different than in any other case where a change in the wage structure is effected."

By the same token, with the change in concept of the nature of a pension there has likewise been a change in the accounting concept. In November of 1948 and subsequent to our decision in the Lake Placid case, the Committee on Accounting Procedure of the American Institute of Accountants, dealing with accounting for annuity costs based on past services, said:

"1. When costs incurred under pension plan are based in part on
services performed prior to the adoption of the plan, the problem arises
whether that portion of the costs which are attributable to such
services are applicable to the past or to the present and future periods
and, accordingly, whether they should be charged to income. This
bulletin deals with the accounting treatment of such costs arising out
of past services when incurred under pension plans involving payments to
outside agencies such as insurance companies and trustees.

"2. The committee has undertaken a statement on this subject at this
time because of the trend toward expansion of pension plans to cover a
wider and much larger group of employees, often at substantially
increased costs, and in order to narrow the area of difference in the
accounting treatment accorded in actual practice to annuity costs based
on past services. Self-administered and informal plans which do not
require payments to outside agencies are not specifically dealt with
because of their special features and lack of uniformity. The principals
set forth herein, however, are generally applicable to those plans as
well.

"3. Charges with respect to pension costs based on past services have
often been made to surplus on the grounds that such payments are
indirectly compensation for services and, since the services upon which
the payments are computed were performed in the past, the compensation
should not be permitted to affect any period or periods other than those
in which the services involved were performed. In other cases all
annuity costs based on past services have been charged to income in the
period of the plan's inauguration as a current cost of originating the
plan. In still other cases the position has been taken that a pension
plan cannot bring the anticipated benefits in the future unless past as
well as future services are given recognition and, accordingly, annuity
costs based on past services have been spread over a period of present
and future years. The last method is the one permitted under provisions
of the Internal Revenue Code.*

"4. The committee believes that, even though the calculation is based
on past services, costs of annuities based on such services are
generally incurred in contemplation of present and future services, not
necessarily of the individual affected but of the organization as a
whole and, therefore, should be charged to the present and future
periods benefited. This believe is based on the assumption that although
the benefits flowing from pension plans are intangible, they are
nevertheless real. The element of past services is one of the important
considerations of most pension plans and costs incurred on account of
such services contribute to the benefits gained by the adoption of a
plan. It is usually expected that such benefits will include better
employee morale, the removal of super-annuated employees from the
payroll, and the attraction and retention of more desirable personnel,
all of which should result in improved operations.

"5. The committee, accordingly, is of the opinion that:

(a) Cost of annuities based on past services should be allocated to
current and future period; provided, however, that if they are not
sufficiently material in amount to distort the results of operations in
a single period, they may be absorbed in the current year.
(b) Costs of annuities based on past services should not be charged to
surplus."

"6. The committee does not intend that its recommendations shall require
(a) a change in policy calling for charges to income rather than charges
to reserves previously provided, or (b) that any recognition be given in the accounts of current or future periods to pension costs written off prior to the issuance of this bulletin."

* See IRC Sec. 23(p)(1)(A).

We must, therefore, conclude not only as a matter of modern economic thinking, but as required by law and accepted practice that pensions are wages and constitute a present benefit. Hence, we must expressly overrule the decision in the Lake Placid case and hold that upon the establishment of a pension plan, whether based on past or future services, or both, the entire charge becomes an operating expense, not an income deduction or a charge to surplus.

We think certain fundamental principles should be stated:

First: If we are to treat pensions as a part of wages, it is essential that the company claiming the deduction as an operating expense will have irrevocably committed itself to the obligation. Title must have passed to the beneficiaries.

Second: The pension plan must be a reasonable one, carry with it the assurance that the obligations which it purports to create can and will be fulfilled and meet the standards of this Commission. If pensions are wages, the matter of pensions is a matter of collective bargaining between the company and its men over which we have no control. However, in a rate proceeding where payments are excessive, while we cannot fix the compensation, we can disallow excessive payments for the purpose of fixing rates. It follows then if pensions are part of compensation, unreasonable payments should likewise not be allowed as a part of operating expenses.

Third: The inclusion in operating expenses should, of course, be made in the year when provisions should be made for it. The definition of the proper year is one of the most vexing problems presented in this matter and, except to state the general principle, this question will be left for further consideration. As in the case of many other operating expenses, there will be instances in which the Commission should give its approval to amortizing payments over a longer period than the current year in which payment is made.

Fourth: We feel that where companies have undertaken to pay pensions, even if the plan be styled a so-called voluntary plan under which the company may claim it has no legal liability, there exists a high moral responsibility and, as a practical matter, a voluntary plan of long standing cannot be terminated without destroying good labor relations or by compensating the employees in some other form. Where liabilities exist that should be made known by footnotes to the balance or other appropriate entries.

It has been argued that the present provisions in the Uniform System for electric and gas companies are adequate to take care of the problems before us provided we interpret them as they interpreted here in relation to past services. If there is any ambiguity in those provisions, they will in the future be interpreted in accordance with this memorandum until such time as the revision is complete.

With the exception of some portions of the bus industry the relations between labor and management in the utilities in this state are uniformly excellent. In general the workers in the utilities have a high standard of morale. In the utility field above all others a breakdown in good labor relations most seriously affects the public. As previously stated, we have no control over the process of collective bargaining,
nor should we attempt to exercise any such control. We must, however, make our determinations in the regulation of utilities so as to remove any obstructions from the path of collective bargaining and to adopt those policies which promote good labor relations, and therefore, better service to the public. For this reason alone, even if we were not compelled to make the determination by the modern legal concept of pensions, we should adopt the principles enunciated here.

I am in accord with Commissioner Arkwright to the extent that any increase in operating expenses tends toward an increase in rates. However, if we are correct in our view that pensions are a form of wages, and if in the course of collective bargaining, the employees of a utility desire a pension rather than benefits in pay, the granting of pensions in any form, will produce no different rates that those that would be produced by an equivalent change in wage scales.

March 9, 1950.

Approved by the Commission March 9, 1950, Commissioner Arkwright in the negative filing a memorandum dated March 9, 1950.

ARKWRIGHT, Commissioner:

I do not oppose retirement of pension plans.

The members of this Commission, and of the prior Commission, wore and are in complete accord as to their desirability and the good that necessarily flows from them.

The only point of difference, and the only problem presented, relates to the accumulation of funds to provide for services rendered in the past, by employees to a company and to whether present and future consumers should have to pay costs that previous consumers might have had to pay, if such plans were in effect.

The matter has been before this Commission on several other occasions, and has been most carefully considered. In newly established pension plans, or in these already established where proper actuarial provisions are provided for to take care of retroactive service, the cost thereof must be met. A determination has now been made that these costs should not be paid by the utility or by contributions of the employees, but should be passed on to the public, present and future. This means that, throughout the state, where such plans may be set up, or are in being, these costs must be passed on in the form of increased rates, to the users of gas, electricity, water, and transportation, whether railroad, bus, or freight.

The previous holding of the Commission in no way passed these costs on to the public. It in no way prevented the utility and its employees by agreement and by contributions among themselves from inaugurating and maintaining any kind of retirement or pension plan, whether with accumulated back costs or not. Thus an accumulation of what amounts to past debt, or expenses in connection therewith, was not passed on to current and prospective customers and riders, and their rates wore thereby not increased.

In my opinion, the public interest is best served by not passing these particular costs on to the public.

March 9, 1950.

SO DOC 16C-AP7-H

APPENDIX 7-H

Derivation of Historical and Current Average Cost of Gas and Net Gas Adjustment

GAC calculated on _______, using supplier rates in effect on _______.
[and] WITH DEMAND COSTS BASED ON NORMALIZED gas quantities for the twelve months ended _________, AND COMMODITY COSTS BASED ON ESTIMATED SALES FOR THE MONTH OF _______. HISTORICAL COST OF GAS BASED ON ACTUAL GAS QUANTITIES FOR THE TWELVE MONTHS ENDED _________.

Applicable to Service Classification No(s). ___________

INSTRUCTIONS: The format of this Appendix should be used to calculate both the historical average cost of gas (using applicable portions of Sections A-E on a historical company-wide basis) and the current average cost of gas for GAC purposes (using applicable portions of Sections A-D and F-H on a repriced, gas department basis only).

### A. SOURCES OF GAS

1. List required data by individual source within each category, or summaries by category and attach a detailed listing for each category.
2. Include subtotals for each category.
3. All transportation or costs other than actual gas purchase costs must be matched with the related gas supplies, so that the report will show city-gate delivered costs for each source.

<table>
<thead>
<tr>
<th>Source (Category)</th>
<th>Rate or Cost</th>
<th>Demand Cost</th>
<th>Commodity Cost</th>
<th>Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Units</td>
<td>($)</td>
<td>($)</td>
<td>($)</td>
</tr>
</tbody>
</table>

Long Term Firm Purchases
(List)
Subtotals & Average Cost
Short Term / Spot Purchases
(List)
Subtotals & Average Cost
Storage Gas (List injections and withdrawals by source)
Subtotals & Average Cost
Peaking Gas (LPG, LNG)
(List by type or source)
Subtotals & Average Cost
Transportation (List [net change in inventory balance] BY SOURCE)

Total Company Purchased
($/unit) $ $ $ $

### B. OTHER COSTS

List other costs associated with gas supplies, but which cannot be assigned to individual gas sources (e.g., direct billed charges).

<table>
<thead>
<tr>
<th></th>
<th>Rate or Cost</th>
<th>Demand</th>
<th>Commodity</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Units</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>

Total Other Costs
$ $ $

### C. Total Cost of Gas (A+B)

<table>
<thead>
<tr>
<th>Rate or Cost</th>
<th>Demand</th>
<th>Commodity</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>($/unit)</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>

### D. ALLOCATIONS

1. List gas volumes and costs allocated to other utility departments,
non-jurisdictional sales, sales not subject to gas adjustments, etc.

2. Attach derivations of each allocation

<table>
<thead>
<tr>
<th>Units</th>
<th>Rate</th>
<th>Demand</th>
<th>Commodity</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>------</td>
<td>------</td>
<td>--------</td>
<td>-----------</td>
<td>-------</td>
</tr>
<tr>
<td>To Other Departments</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>To Non-jurisdictional Sales</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>To/from Other Service Classes</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Allocations</td>
<td>($/unit)</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>

E. HISTORIC COST OF GAS
FOR GAS SALES (C-D) ($/unit $ $ $)

F. COST OF GAS FOR GAS SALES (C-D)
Cost per unit of send-out
Factor of Adjustment [or Sales Volumes]
Avg. unit cost as shown on GAC statement ($/unit) $ $ $

G. CREDIT & SURCHARGES
1. List Credits and Surcharges attributable to Annual Reconciliations, Refunds, Interruptible Margins, Revenue Sharing, Weather Normalization, Etc.
2. Attach worksheets for derivations of each credit or charge when it is first included in the GAC. ($/unit)

Annual Reconciliation Credit (Surcharge)
Supplier Refunds (List separately)
Other Credits or Surcharges (List separately)

H. NET GAC ($/unit)
(Unit adjustment to be applied to customer bills.)

INTRODUCTION
In December 1996, the Department of Public Service inaugurated a new Electronic Tariff System (ETS) which is intended to:
-- facilitate the filing of utility tariffs and related documents,
-- partially automate the administration of tariff filings by Department staff, and
-- improve accessibility to utility tariffs for all users.
The following guidelines are intended to assist utility personnel in the preparation and submission of electronic tariffs. Because this guide is meant to supersede tariff filing requirements formerly specified in 16 NYCRR, provisions are also required to accommodate the continued submission of tariffs in paper format, pending
conversion to an electronic submission. Accordingly, applicable provisions of 16 NYCRR are also included herein to address the requirements of paper tariff submissions.

PROVISIONS APPLICABLE TO ELECTRONIC TARIFF FILINGS

ETS FILING REQUIREMENTS
Systems and computer programs employed by the Department of Public Service in ETS impose certain requirements on electronic tariff filings. Among the more basic of these requirements are:
-- all documents must be submitted in WordPerfect 5.1/5.2 format
-- each document must be contained in a separate file, and the file format and name must conform to the rules described below
-- all documents associated with a particular filing must be attached to a single E-Mail message
-- all submissions must include a letter of transmittal
-- use of graphics should be avoided

In addition to these basic requirements, there are additional requirements unique to each type of document that may be included in a tariff submission.

LETTER OF TRANSMITTAL
ETS requires that each filing be accompanied by a LETTER OF TRANSMITTAL. The LETTER OF TRANSMITTAL will consist of a single WordPerfect document which may be one or more pages in length. The LETTER OF TRANSMITTAL must include LETT as the first four characters of the document name; the remaining one to four characters to the left of the period, as well as the three letter suffix to the right of the period may contain any valid characters permitted by DOS's 8.3 naming convention. For example, LETT01.WPF is a valid name (despite having only six characters to the left of the period). TRANSMITTAL.FIRST is not because: a) it does not contain LETT as the first four characters of the name, b) more than eight characters exist to the left of the period (perhaps due to the use of Windows 95 capability for longer names) contrary to DOS's 8.3 naming convention, and c) the suffix to the right of the period contains more than the allowed three characters.

All electronic documents, including the LETTER OF TRANSMITTAL must, at a minimum, contain two specific header lines which are not required on hard copy submissions (as discussed below, other header lines may also be required in electronic filings). Each header line will begin with a label which must be capitalized. The first header line must contain only the ..DID: label, which should be left justified. No other text is permitted on this line! The remaining space is reserved for use by the Department's document retrieval system which will assign a unique document identification number essential to its proper functioning.

The second line of every electronic document, including the LETTER OF TRANSMITTAL must contain the label..TXT: which also must be left justified. Unlike the first line additional text may follow this label on the second line. For a LETTER OF TRANSMITTAL, however, the remainder of this line will usually be left blank, with the text of the letter beginning on succeeding lines.

NOTE: WordPerfect formatting commands should not be contained within a document header. Formatting commands may precede the ..DID: label if required to format the header information, but preferably should appear at the beginning of the first line following all header information to ensure proper formatting of the document's text.
The remainder of the electronic LETTER OF TRANSMITTAL document should be comprised of the text of the letter. Generally, the LETTER OF TRANSMITTAL should contain only text. Embedded graphics, such as a company logo, will not be retained intact and should be avoided. An example of a letter of transmittal is shown in Figure 1.

..DID:
..TXT:

ACME ELECTRIC CORPORATION
123 Any Way
Big City, NY 12345-6789
April 1, 1996
Debra Renner, Acting Secretary
New York State Public Service Commission
3 Empire State Plaza
Albany, NY 12223-1350
Dear Secretary Renner:

TEXT
OF
LETTER
Sincerely,
John D. Owner
President
encl.

Figure 1
SAPA NOTICE

Certain filings propose changes to utility tariffs which require official notification through publication in the State Register pursuant to the State Administrative Procedures Act (SAPA). Filings which require SAPA notification should include a draft of a proposed notice. For electronic filings, the draft SAPA notice will consist of a single WordPerfect document which may be one or more pages in length. The document name for a draft SAPA notice must include SAPA as the first four characters to the left of the period; the remainder of the name as well as the three letter suffix to the right of the period may contain any valid characters permitted by DOS's 8.3 naming convention (e.g. SAPAPROP.WPD).

As with the electronic LETTER OF TRANSMITTAL, a draft SAPA notice must contain two header lines. The first line must contain only the ..DID: label which should be capitalized and left justified. The second line of a draft SAPA notice must contain the label ..TXT: which also must be capitalized and left justified. While it is permitted for additional text to follow this label on the second line, for a draft SAPA notice the remainder of the line will probably be blank, with the text of the draft SAPA notice beginning on succeeding lines.

The remainder of the draft SAPA notice should be comprised of the text of the notice. An example of a draft SAPA notice is shown in Figure 2.

..DID:
..TXT:

(SAPA No.              )

NYS DEPARTMENT OF STATE
NOTICE OF PROPOSED RULEMAKING

PUBLIC SERVICE COMMISSION
REMAINING
TEXT
Figure 2

TARIFF LEAF

Individual tariff leaves comprise the bulk of a utility's tariff. ETS requires that each TARIFF LEAF consist of a single page, and that each TARIFF LEAF be contained in a separate WordPerfect document. There are no restrictions with respect to the naming of a TARIFF LEAF document except that it comport with DOS's 8.3 naming convention.

As with all electronic documents, a TARIFF LEAF must contain two header lines. The first line must contain only the ..DID: label, which should be capitalized and left justified. The second line of every TARIFF LEAF document must contain the label ..TXT: which also must be capitalized and left justified. Certain additional information is also required in the header of an electronic TARIFF LEAF in the lines immediately following the ..DID: and ..TXT: labels. All required information must be precede by an identifying tag as follows:

PSC NO: this tag will appear on the second line, and will be separated from the ..TXT: label by at least one space. The tag should be followed by one space, and then the applicable schedule to which the filed TARIFF LEAF applies, followed by another space and one of the permitted schedule types (e.g. 123 GAS). The schedule type must be one of the following: COMMUNICATIONS, ELECTRICITY, GAS, STEAM, OR WATER. Capitalization and proper spelling are critical.

LEAF: this tag must also appear on the second line, separated from the PSC NO: tag (and following entry) by at least one space. This tag should also be followed by one space and then the number of the TARIFF LEAF. Leaf numbers may only contain numbers between 0 and 9, and periods. Letters and special characters are not allowed. An initial tariff filing may only contain sequentially numbered leaves; e.g. 1, 2, 3, .... Subsequently, new leaves may be added to the existing tariff through the use of leaf numbers next in sequence (e.g. if the last TARIFF LEAF currently in effect is labeled LEAF: 22, new leaves may be added beginning with LEAF: 23), or may be inserted between existing leaves by expanding the number- ing sequence. For example, if it is necessary to add a leaf between existing LEAF: 6 and LEAF: 7, the new TARIFF LEAF should be designated as LEAF: 6.1. If the material being inserted requires more than one TARIFF LEAF, the numbering sequence should continue with LEAF: 6.2, etc. Likewise, a new TARIFF LEAF between LEAF: 6.1 and LEAF: 6.2, should be designated as LEAF: 6.1.1. Each TARIFF LEAF, including the cover, must be numbered using this numbering convention.

COMPANY: this tag will appear left justified on the third line of a TARIFF LEAF, and will be followed by one space and the official company name.

REVISION: this tag will also appear on the third line, separated from the company name by at least one space. The tag will be followed by one space and then the revision number of the TARIFF LEAF. The original of each leaf will be designated as REVISION: 0. Subsequent revisions to a particular TARIFF LEAF would be sequentially designated, e.g. REVISION: 1, REVISION: 2, etc.
INITIAL EFFECTIVE DATE: this tag must appear on the fourth line, left justified, and be followed by one space and the initial effective date of the TARIFF LEAF. The date must be in the format mm/dd/yy and zero filled; e.g., 06/04/96. (Note: calendar year 2000 will be represented as 00, 2001 as 01, etc.)
SUPERSEDING REVISION: this tag must also be on the fourth line, separated from the INITIAL EFFECTIVE DATE: tag (and following entry) by at least one space, and be followed by one space and the revision number of the TARIFF LEAF that the new leaf is superseding. If the TARIFF LEAF is an original, the space following this tag should be left blank. For example, SUPERSEDING REVISION: 6 would be appropriate for a new leaf designated as REVISION: 7.
STAMPS: this tag must appear on the fifth line. Generally, no additional company generated text may appear following this tag. The notable exception to this exists when the TARIFF LEAF is issued at the direction of the Commission. Under such circumstances, the tag may be followed by one space and the notation: Issued in compliance with order in C. NN-C-NNNN (where N represents a numerical value and C a character value) dated (display date in form: mm/dd/yy). This line should be followed by eight (8) blank lines to provide room for department staff to add all applicable stamps, such as to note postponements, suspensions, cancellations, etc.
RECEIVED: STATUS: EFFECTIVE: these three tags must appear on the line following the eighth blank line. The tags must be separated by at least one space. All information relative to the date the filing was received, its status, and its effective date will be added by Department staff.

All lines following this header information may be used by the company for the text of the TARIFF LEAF. However, the first non-blank line of such text on each page (including cover page) must consist of a simple topical heading, such as P.S.C. No. 123 - Electric, Table of Contents, General Provisions, or Service Classification No. 1 (as noted above, the first line of text should also begin with WordPerfect formatting commands as may be required). A topical heading must not run over to subsequent lines, although subsequent lines may further define the topic. For example, the first line might be designated as Service Classification No. 1, and might be further defined by having the term Residential Service displayed on the second line. The same topical heading may appear on more than one page, and may include one of the following case insensitive notations, as may be appropriate: CONTINUED, -CONTINUED, CONT'D, CONTD, -CONTD, (CONTINUED), (CONT'D), OR (CONTD). Figure 3 exemplifies a typical electronic TARIFF LEAF.

..DID: LEAF: 5.2
..TXT: PSC NO: 123 GAS
COMPANY: ACME ELECTRIC COMPANY
INITIAL EFFECTIVE DATE: 12/22/96
STAMPS:
<1st blank line>
<>
<>
<>
<>
<>
RECEIVED: STATUS EFFECTIVE:
GENERAL INFORMATION (Cont'd)
Application for Service

2.4 The applicant may be required to submit a written application........

REMAINING
TEXT
OF
TARIFF
LEAF

Issued by: I. M. DEBOSS, PRESIDENT, BIG TOWN, NEW YORK

FIGURE 3
ADDENDUM

Each electronically filed tariff ADDENDUM must be contained in a separate WordPerfect document which may be more than one page in length. The document name must include ADDE as the first four characters. The remaining four characters to the left of the period and the three letter suffix to the right may contain any characters permitted by DOS's 8.3 file naming convention.

As with all documents, an electronically filed ADDENDUM must have only the ..DID: label left justified on the first line, and must have at the very left of the second line the ..TXT: label. Certain additional information must also be present in the initial lines of an ADDENDUM. All required information must be preceded by an identifying tag as follows:

PSC NO: this tag will appear on the second line, and will be separated from the ..TXT: label by at least one space. The tag will be followed by one space, and then the applicable schedule to which the ADDENDUM being filed applies, followed by another space and the schedule type. (e.g. 123 GAS). The schedule type must be one of the following: COMMUNICATIONS, ELECTRICITY, GAS, STEAM, OR WATER. Capitalization and proper spelling are critical.

ADDENDUM TYPE: this tag will also appear on the second line, separated from the PSC NO: tag (and following entry) by at least one space. This tag will also be followed by one space and then up to a four character designation of the company's choosing.

COMPANY: this tag will appear left justified on the third line of an ADDENDUM, and will be followed by one space and the official company name.

ADDENDUM NO: this tag will also appear on the third line, separated from the company name by at least one space. The tag will be followed by one space and then the ADDENDUM number. ADDENDUM numbers must be sequentially numbered within any given ADDENDUM TYPE: For example, if the last filed XYZ ADDENDUM was ADDENDUM NO: 12, the next XYZ ADDENDUM must be ADDENDUM NO: 13.

INITIAL EFFECTIVE DATE: this tag must appear on the fourth line, left justified, and be followed by one space and the initial effective date of the ADDENDUM. The date must be in the format mm/dd/yy.

STAMPS: this tag must appear on the fifth line. Generally, no
additional company generated text may appear following this tag. The notable exception to this exists when the ADDENDUM is issued at the direction of the Commission. Under such circumstances, the tag may be followed by one space and the notation: Issued in compliance with order in C. NN-C-NNNN (where N represents a numerical value and C a character value) dated (display date in form: mm/dd/yy). This line should be followed by eight (8) blank lines to provide room for department staff to add all applicable stamps.

RECEIVED: STATUS: EFFECTIVE: these three tags must appear on the line following the eighth blank line. The tags must be separated by at least one space. All information relative to the date the filing was received, its status, and its effective date will be added by Department staff.

All lines following this header information may be used by the company for the text of the ADDENDUM, although the first line should indicate the topic of the addendum. Figure 4 exemplifies an electronic tariff ADDENDUM.

..DID: ..TXT: PSC NO: 123 GAS ADDENDUM TYPE: GAS COMPANY: ACME ELECTRIC COMPANY ADDENDUM NO: 5 INITIAL EFFECTIVE DATE: 12/15/96 STAMPS:
<1st blank line>
<              >
<              >
<              >
<              >
<              >
<8th blank line>
RECEIVED:STATUS EFFECTIVE:
SPECIAL CONTRACT NO. 2 FOR GAS DELIVERIES
text of ADDENDUM
ISSUED BY: I. M. DEBOSS, PRESIDENT, BIG TOWN, NEW YORK

Figure 4
STATEMENT

Each electronically filed tariff STATEMENT must be contained in a separate WordPerfect document which may be more than one page in length. The document name must include STATE as the first four characters. The remaining four characters to the left of the period and the three letter suffix to the right may contain any characters permitted by DOSS 8.3 file naming convention.

An electronic STATEMENT must have only the ..DID: label left justified on the first line, and must have at the very left of the second line the ..TXT: label. Certain additional information must also be present in the initial lines of a STATEMENT. All required information must be preceded by an identifying tag as follows:

PSC NO: this tag will appear on the second line, and will be separated from the ..TXT: label by at least one space. The tag will be followed by one space, and then the applicable schedule to which the STATEMENT being filed applies, followed by another
space and the schedule type. (e.g. 123 GAS). The schedule type must be one of the following: COMMUNICATIONS, ELECTRICITY, GAS, STEAM, OR WATER. Capitalization and proper spelling are critical.

STATEMENT TYPE: this tag will also appear on the second line, separated from the PSC NO: tag (and following entry) by at least one space. This tag will also be followed by one space and then up to a four character designation of the company's choosing (Note: certain designations, such as GAC, FAC and RTS are commonly used, but other designations are permitted).

COMPANY: this tag will appear left justified on the third line of a STATEMENT, and will be followed by one space and the official company name.

STATEMENT NO: this tag will also appear on the third line, separated from the company name by at least one space. The tag will be followed by one space and then the STATEMENT number. STATEMENT numbers must be sequentially numbered within any given STATEMENT TYPE: For example, if the last filed GAS STATEMENT was numbered 12, the next GAS STATEMENT must be numbered 13.

INITIAL EFFECTIVE DATE: this tag must appear on the fourth line, left justified, and be followed by one space and the initial effective date of the STATEMENT. The date must be in the format mm/dd/yy.

STAMPS: this tag must appear on the fifth line. Generally, no additional company generated text may appear following this tag. The notable exception to this exists when the STATEMENT is issued at the direction of the Commission. Under such circumstances, the tag may be followed by one space and the notation: Issued in compliance with order in C. NN-C-NNNN (where N represents a numerical value and C a character value) dated (display date in form: mm/dd/yy). This line must then be followed by eight (8) blank lines to provide room for Department staff to add all applicable stamps, such as to note postponements, suspensions, cancellations, etc.

RECEIVED: STATUS: EFFECTIVE: these three tags must appear on the line following the eighth blank line. The tags must be separated by at least one space. All information relative to the date the filing was received, its status, and its effective date will be added by Department staff.

All lines following this header information may be used by the company for the text of the STATEMENT. Figure 5 exemplifies an electronic tariff STATEMENT.

..DID:
..TXT: PSC NO: 123 GAS                      STATEMENT TYPE: GAC
COMPANY: ACME ELECTRIC COMPANY            STATEMENT NO: 5
INITIAL EFFECTIVE DATE: 12/15/96
STAMPS:
<1st blank line>
<   >
<   >
<   >
<   >
<   >
<   >
Each electronically filed tariff SUPPLEMENT must be contained in a separate WordPerfect document which may be more than one page in length. The document name must include SUPP as the first four characters. The remaining four characters to the left of the period and the three letter suffix to the right may contain any characters permitted by DOS's 8.3 file naming convention.

As with other documents, an electronic SUPPLEMENT must have only the ..DID: label left justified on the first line, and must have at the very left of the second line the ..TXT: label. Certain additional information must also be present in the initial lines of a SUPPLEMENT. All required information must be preceded by an identifying tag as follows:

PSC NO: this tag will appear on the second line, and will be separated from the ..TXT: label by at least one space. The tag will be followed by one space, and then the applicable schedule to which the SUPPLEMENT being filed applies, followed by another space and the schedule type. (e.g. 123 GAS). The schedule type must be one of the following: COMMUNICATIONS, ELECTRICITY, GAS, STEAM, OR WATER. Capitalization and proper spelling are critical.

SUPPLEMENT TYPE: this tag will also appear on the second line, separated from the PSC NO: tag (and following entry) by at least one space. This tag will also be followed by one space and then one of the allowable SUPPLEMENT types: ADOP (adoption), CANC (cancellation), POST (postponement), or SUSP (suspension).

COMPANY: this tag will appear left justified on the third line of a SUPPLEMENT, and will be followed by one space and the official company name.

SUPPLEMENT NO: this tag will also appear on the third line, separated from the company name by at least one space. The tag will be followed by one space and then the SUPPLEMENT number.

SUPPLEMENT numbers must be sequentially numbered within any given SUPPLEMENT TYPE: For example, if the last filed POST SUPPLEMENT was numbered 12, the next POST SUPPLEMENT must be numbered 13.

INITIAL EFFECTIVE DATE: this tag must appear on the fourth line, left justified, and be followed by one space and the initial effective date of the SUPPLEMENT. The date must be in the format mm/dd/yy.

STAMPS: this tag must appear on the fifth line. Generally, no additional company generated text may appear following this tag. The notable exception to this exists when the SUPPLEMENT is issued at the direction of the Commission. Under such circumstances, the tag may be followed by one space and the notation: Issued in compliance with order in C. NN-C-NNNN (where N represents a numerical value and C a character value) dated
(display date in form: mm/dd/yy). This line must then be followed by eight (8) blank lines to provide room for Department staff to add all applicable stamps, such as to note postponements, suspensions, cancellations, etc.

RECEIVED: STATUS: EFFECTIVE: these three tags must appear on the line following the eighth blank line. The tags must be separated by at least one space. All information relative to the date the filing was received, its status, and its effective date will be added by Department staff.

All lines following this header information may be used by the company for the text of the SUPPLEMENT. Figure 6 exemplifies an electronic tariff SUPPLEMENT.

..DID:
..TXT: PSC NO: 123 GAS
COMPANY: ACME ELECTRIC COMPANY
SUPPLEMENT TYPE: POST
SUPPLEMENT NO: 5
INITIAL EFFECTIVE DATE: 12/15/96
STAMPS:
<1st blank line>
<>
<>
<>
<>
<>
<>
<>
<>
<8th blank line>
RECEIVED: STATUS EFFECTIVE:
POSTPONEMENT OF CHANGES PENDING IN CASE 96-G-9999

text
of
SUPPLEMENT

ISSUED BY: I. M. DEBOSS, PRESIDENT, BIG TOWN, NEW YORK

Figure 6

E-MAIL

All electronically filed tariffs are to be submitted by means of E-Mail. The following should be observed when making an E-Mail submission:

-- The originators E-Mail address (as it will appear in the From portion of an E-Mail submission) must be registered with the Department of Public Service. If different from the issuing E-Mail address, the address to which feedback from the Department relative to any action taken on a filing must also be registered. Please consult the attached list for specific Department contacts to register an E-Mail address.

-- As noted above, a tariff filing is likely to consist of a number of individual documents, each containing a separate one page tariff leaf, or individual documents comprising a letter of submission, a tariff addendum, supplement or statement, or a SAPA notice. Regardless of the number of documents comprising a particular filing, all must be attached to the same E-Mail message. (NOTE: Because some E-Mail software restricts the number of attachments, it may be necessary to obtain different software which can accommodate this requirement. We regret any inconvenience this may cause.)

-- Attachments may be submitted in MIME or UUENCODE format. Usually,
this is a function of the specific E-Mail package being used, and does not normally require user intervention.

-- All official E-Mail documents should be sent to:
edi-tariff@dps.state.ny.us

TEST SUBMISSIONS

The initial conversion of utility tariff schedules to ETS will require close coordination between the utility and staff. Utilities should consult with staff relative to a mutually agreeable schedule prior to the submission of an original tariff schedule. Once the original tariff schedule is on file, the company is then free to submit changes without prior notification of staff.

To prepare for the transition of a tariff schedule to ETS, the company may find it desirable to submit test documents to ensure compatibility between company and Department systems. Staff welcomes the opportunity to work with the company in such testing. Again, please consult the attached list of staff contacts to coordinate a testing schedule. Once all parties are satisfied of system compatibility, a mutually agreeable date for the submission of the official schedule can be established.

Staff appreciates your cooperation during the transition period.

PROVISIONS APPLICABLE TO
PAPER TARIFF FILINGS

HARD COPY TARIFF FILING REQUIREMENTS

The following procedures supplement 16 NYCRR and apply to the filing of hard copy tariffs with the New York State Public Service Commission.

LETTER OF TRANSMITTAL

The Letter of Transmittal will be typed in the format for an electronic filing as shown in Figure 1 of this Appendix except that the ..DID: and ..TXT: labels are not required and should not be included.

SAPA NOTICE

The SAPA notice will typed in the format for an electronic filing as shown in Figure 2 of this Appendix except that the ..DID: and ..TXT: labels are not required and should not be included.

TARIFF AMENDMENTS, SUPPLEMENTS, STATEMENTS AND ADDENDA

NUMBER OF COPIES:

(a) Electric, gas and steam corporations and municipalities shall file three copies of all amendments, supplements, statements and addenda (five copies if applicable to the Metropolitan district).

(b) Telephone corporations shall file three copies of all amendments, supplements and statements.

(c) Water-works corporations shall file four copies of all amendments, supplements and statements.

ACKNOWLEDGMENT OF FILING RECEIPT

If acknowledgment of receipt of a utility's filing is desired, the company's letter of transmittal shall be in duplicate and shall be accompanied by a self-addressed envelope.

NUMBERING OF TARIFF LEAF:

When a complete schedule is filed, each leaf, except the front cover, which in all cases shall be considered Leaf No. 1, shall be issued as an original leaf consecutively numbered. Example: Original Leaf No. 2, Original Leaf No. 3, etc.

When a leaf is first revised, the new leaf shall be designated as First Revised Leaf No. ___ superseding Original Leaf No. ___, etc.

When changes or additions require more space, one or more leaves shall be issued to which the same leaf number shall be given with a letter
suffix. For example, if changes are made in original Leaf No. 2 and more than one leaf is required to show the changed or new matter, the new leaf shall be issued as First Revised Leaf No: 2 superseding Original Leaf No. 2, and the added leaf shall be issued as Original Leaf No. 2-A, a second added leaf shall be issued as Original Leaf No. 2-B, etc.

FORMAT FOR TARIFF LEAF

Tariff Leaves shall be typed in the format shown on Figure 7.

ACME COMPANY  P.S.C. NO.1-GAS  Original Leaf No.  
TWENTY-THIRD  Revised Leaf No. 19  
Superseding TWENTY-SECOND Revised Leaf No. 19

SERVICE  CLASSIFICATION

NO. 1

APPLICABLE TO USE OF SERVICE FOR:
Commercial purposes except as provided for in Service Classifications No. 1.

CHARACTER OF SERVICE:
Continuous natural gas, approximately 1,045 BTU per cubic foot, normal pressure not less than 4 inches.

RATE: (Per Month)
$3.28 per Mcf, except as provided under Special Provision.

GAS COST ADJUSTMENT:
The charges set forth under "Rate" herein shall be subject to a gas cost adjustment per 1.000 per cubic feet of gas supplied hereunder when changes from the base cost of gas occur (as explained on leaves Nos. 16A, 16B and 16C)

MINIMUM MONTHLY CHARGE:
$1.50.

GROSS REVENUE TAX SURCHARGE:
The base rates and charges under this service classification, including minimum charge, are increased by .25% to recover the tax expense imposed by Section 186-a of the New York Tax Law above the amount included in base rates.

TERMS OF PAYMENT:
Bills at the above rate are subject to a late payment charge in accordance with the provisions of General Information Rule III.

Date of Issue SEPTEMBER 29, 1998  Date Effective OCTOBER 1, 1998
Issued by: I.M. DEBOSS, PRESIDENT, BIG TOWN, NEW YORK

Figure 7

FORMAT FOR ADDENDUM

Tariff Addendum shall be typed in the format shown on Figure 8.

FORMAT FOR SUPPLEMENTS

Tariff Supplements shall be typed in the format shown on Figure 9.

FORMAT FOR STATEMENTS

Tariff Statements shall be typed in the format shown on Figure 10.

ACME COMPANY  P.S.C. NO. 1-GAS

Addendum Type:_______
Addendum No.:_______

SPECIAL CONTRACT FOR GAS DELIVERIES TEXT OF ADDENDUM

Date of Issue SEPTEMBER 29, 1998  Date Effective OCTOBER 1, 1998
Issued by: I.M. DEBOSS, PRESIDENT, BIG TOWN, NEW YORK

Figure 8
ACME COMPANY

P.S.C. NO. 1-GAS

Supplement No.:______

TEXT
OF
SUPPLEMENT

Date of Issue SEPTEMBER 29, 1998  Date Effective OCTOBER 1, 1998*

Issued by: I.M. DEBOSS, PRESIDENT, BIG TOWN, NEW YORK

*Not applicable for suspension supplements

Figure 9

ACME COMPANY

P.S.C. NO. 1-GAS

Statement Type:______

Statement No.:______

TEXT
OF
STATEMENT

Date of Issue SEPTEMBER 29, 1998  Date Effective OCTOBER 1, 1998*

Issued by: I.M. DEBOSS, PRESIDENT, BIG TOWN, NEW YORK

Figure 10

APPENDIX 9-A

TESTING OF METERS; REPORTS OF TESTS

INSTRUCTIONS FOR REPORTING METER TESTS ON REVISED FORM NO. 2

STATUS OF METER TESTING

The data required under this heading is self-explanatory and is the same as that previously reported under the same heading on Revised Form No. 1.

GENERAL INSTRUCTIONS

Revised Quarterly Report, Form 2, is designed to reveal the results of meter testing and to furnish certain data relating to meters prepared for service. The primary purpose is to determine the results of the testing of so-called Time and Registration Limit meters and to ascertain the manner in which such meters are being prepared for return to service. For the purpose of this report Time and Registration Limit meters are those meters which have reached or exceeded the limits shown in subdivision (b) of section 500.1 of the rules and regulations governing the testing of water meters, as ordered by the Public Service Commission. For example, a 5/8-inch meter in service 5 years or a 2-inch meter in service 4 years without having been tested is a Time Limit meter and likewise any 5/8-inch meter in service through which 750,000 gallons of water have passed without testing of the meter is designated as a Registration Limit meter. Of course, many meters are removed from service for reasons other than because they are Time or Registration Limit meters, as for example, a 5/8-inch meter removed from a vacant house after two years of service. Such meters are accordingly classed as "Other Meters" and, whereas Form 2 [following] indicates that information is required as to the test results of such meters upon removal (Table A), data is not requested regarding the preparation of such meters for service (Table B). A 6-inch current meter tested once each year would be classed as a Time Limit meter, but if a particular 6-inch meter is tested for a second time in any one year, the second test would be included under "Other Meters" since the second test was not required in accordance with P.S.C. regulations and is therefore not strictly a Time Limit test. In other words, meters removed from service for testing or meters tested in the field for the purpose of complying
with the P.S.C. regulations regarding time and registration intervals are classed Time or Registration Limit Meters; all other meters removed for test or tested in the field after having been in service are classed as "Other Meters". It is important to note that if a meter should stop registering and should also be a Time Limit meter, it should be so identified in both respects as the Form requires a recording of such information, and the cause of removal for such a meter should be "Stopped--Time Limit" and not merely "Stopped". Obviously, this will provide information as to whether stopped or non-registering meters have exceeded the time or registration limits or not, as the case may be. Similarly for frozen meters, the proper sub-designation should be given, although the added sub-designation "Time or Registration Limit" in such cases is not quite so important.

The form provides space to indicate whether the meter upon testing passed the P.S.C. test. Thus, if the test result meets the requirements indicated in the paragraphs relating to "Tests of Meters" of the P.S.C. Regulations, it is recorded as "Passed P.S.C. Test". For example, a 5/8-inch meter is removed from service and classified as "Time Limit". It is tested at the shop with the following results:

<table>
<thead>
<tr>
<th>Rate of flow (G.P.M.)</th>
<th>Accuracy of registration per cent</th>
</tr>
</thead>
<tbody>
<tr>
<td>20.0</td>
<td>98.5</td>
</tr>
<tr>
<td>2.0</td>
<td>101.0</td>
</tr>
<tr>
<td>0.25</td>
<td>Steady Movement</td>
</tr>
</tbody>
</table>

This meter would be recorded as "Passed P.S.C. Test", since it did not fall below 98.0 per cent and did not exceed 101.0 per cent at the selected rates within "Normal Test Flow Limits" and it also showed proper sensitivity at the "Minimum Test Flow" of 0.25 g.p.m. If this meter had recorded 97.0 per cent at 20.0 g.p.m. or if it had exceeded 101.0 per cent at 2.0 g.p.m. or if it had failed to move at all at 0.25 g.p.m., it would then have failed in one of the three instances to meet the P.S.C. test requirements. All requirements of the Regulation have to be met in order to classify the meter as "Passed P.S.C. Test".

TABLE A

This part of the form shows the results of the routine testing of meters and also indicates the number of "non-registering" meters brought into the shop or found stopped in the field. The data required appears to be self-explanatory.

The number of new meters tested for the given period is shown in Column (b) and all such meters either passed the P.S.C. test or were re-g geared or calibrated to meet the test requirements. Column (c) shows the number of Time Limit meters tested and Column (d) indicates how many "Passed the P.S.C. Test" requirements with the obvious conclusion that the difference failed to pass. Columns (i), (j) and (k) show the number of Time and Registration Limit Meters which were brought in because stopped, those in Column (k) having been frozen and the others having stopped from other causes. Columns (l) and (m) Other Meters are to show those which were neither Time nor Registration Limit Meters and were found stopped or frozen.

TABLE B

Table B explains how Time and Registration Limit meters were prepared for reinstallation in service and how many meters were retired. Column (o) shows the number of Time Limit meters made ready for service, that
is, they were tested and perhaps re-geared or repaired to meet the P.S.C. test requirements pertaining to all meters ready for service. There may or may not be any direct relation between the meters shown in Table A and those shown in Table B. It is recognized that a number of meters during any one quarterly period may be tested and the results reported for that quarter, but that the repair work or preparation of such meters for service may not be done until the next quarter and should thus be reported in the proper quarterly report; hence, meters, made ready for service shown in Table B, may or may not be the same meters for which test results are shown in Table A. In general where field tests are concerned, there will be a relation between Tables A and B as field work on any particular meter is generally completed in one day.

The report shows the number of Time Limit Meters [Column (o)] made ready for service, and the manner in which they were made ready is indicated in Columns (p), (q) and (r). Those shown in Column (p) are meters which upon removal from service passed the P.S.C. test requirements and were considered as again ready for service without any extensive repairs beyond perhaps wiping off or painting the main casing or perhaps the replacement of a broken register box glass or a defective register box screw or perhaps even a new or repaired register; however, the meters were not disassembled so that the internal working parts could be examined, such as gear trains, chambers, discs, pistons, and so forth. Also, the only test performed was the one which indicated that the meters upon removal tested within the requirements. Column (q) shows the number of meters that failed to pass the P.S.C. test requirement but it was possible to re-gear the meters to bring them within the requirements; also, that no extensive repairs were made. The only difference between the meters shown in Column (q) as compared with those shown in Column (p) is that it was necessary to re-gear and hence re-test those in Column (q).

Column (r) shows the number of meters, whether or not they passed or failed the P.S.C. test requirements, which were disassembled and completely examined or overhauled with the performance of any necessary repairs or replacement of major or minor parts. Such meters, of course, would be retested after being reassembled and would be calibrated to meet all P.S.C. requirements. Practice in certain companies dictate that all meters be disassembled and all parts examined, regardless of whether the meters passed or failed to pass the test when removed from service or when tested in service. The purpose of the report is to reflect the practice and results of the particular company making the report. The fact that columns are provided for reporting the manner of preparing meters for return to service according to the company's practice in no way indicates approval of such practice. The figures shown in Column (s) are not related to those shown in Column (o). Column (s) merely gives information as to the number of meters retired. These are in addition to the number returned to service. Columns (t) to (x) require similar data for Registration Limit meters.

Meters retired which have reached neither the Time Limit nor the Registration Limit should be entered in Column (x) and be denoted by a double asterisk (**). The total of the meters entered in Columns (s) and (x) should equal the total number of meters which, during the period, were retired on the company's books.

REPORT OF WATER METER TESTS
(Revised Form No. 2)

For the quarterly period ending _________________________________________

Company _________________________________________________________________

Date of Report __________________________________________________________

Plant ___________________________________________________________________

To the Public Service Commission of the State of New York:

The following is a correct summary of all water meter tests made by this company in accordance with the orders and rules of the P.S.C. during the period noted.

________________________________________
Signature of Corporation Officer

STATUS OF METER TESTING

Total number of meters in service i.e., the sum of all meters used by annual and seasonal customers. It does not include those meters in reserve for any business or for replacements. | (A)

Total number of meters in service tested and meeting all requirements of P.S.C. Rules and Regulations (Schedule B). Paragraphs 1 and 2. | (B)

Total number of meters in service due for test (A minus B) |

TABLE A-METER TESTING PROGRESS DURING PERIOD

REMOVED METERS AND FIELD TESTS (INDICATED BY*)

| TIME LIMIT | REGISTRATION LIMIT | OTHER |
| METERS | METERS | METERS |

| METERS | NEW |
| SIZE-MAKE-TESTED | TESTED | NUMBER PASSED PSC TEST | NUMBER TESTED PSC TEST | NUMBER TESTED PSC TEST |
| (a) | (b) | (c) | (d) | (e) | (f) | (g) | (h) |

NEW REGISTRATION METERS

| STOPPED | FROZEN |
| TIME & REGISTRATION LIMIT METERS | OTHER METERS |

| TIME LIMIT | REGISTRATION LIMIT | TIME & REGIST. STOPPED FROZEN |
| (i) | (j) | (k) | (l) | (m) |

TABLE B
DATA RELATING TO METERS MADE READY FOR SERVICE OR DISCARDED. Include only those meters which, when removed or tested, were classed as time and registration limit meters.
### TIME LIMIT METERS

Subdivide number shown in col "o", as indicated below.

<table>
<thead>
<tr>
<th>Meters Made</th>
<th>TEST AND RE-MADE</th>
<th>PASSED P.S.C.</th>
<th>FAILED P.S.C.</th>
<th>COMPLETELY DISASSEMBLED</th>
</tr>
</thead>
<tbody>
<tr>
<td>Size Ready</td>
<td>MINOR EXTERNAL</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Make Service</td>
<td>CLEANING OR REPAIRS</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### REGISTRATION LIMIT METERS

Subdivide number shown in col "t", as indicated below.

<table>
<thead>
<tr>
<th>Meters Made</th>
<th>TEST AND RE-MADE</th>
<th>PASSED P.S.C.</th>
<th>FAILED P.S.C.</th>
<th>COMPLETELY DISASSEMBLED</th>
</tr>
</thead>
<tbody>
<tr>
<td>Size Ready</td>
<td>MINOR EXTERNAL</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Make Service</td>
<td>CLEANING OR REPAIRS</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note {1} Indicate Field Work with asterisk *.

Note {2} Meters retired which have reached neither the Time Limit nor the Registration Limit should be entered in column (x) and denoted by two asterisks **.

To the Public Service Commission of the State of New York
I hereby certify that the above is a correct report.

Date of Report                      Signature of Manager or Superintendent
.SO DOC 16C-AP13                                 NYCRR

APPENDIX 13

American Concrete Institute (ACI)
P.O. Box 4754, Redford Station
Detroit, Michigan 45219
ACI 318, Building Code Requirements For Reinforced Concrete
ACI Title No. 67, Design and Construction of circular Prestressed Structures

American Gas Association (AGA)
1515 Wilson Boulevard
Arlington, Virginia
Purging Principles and Practice

American National Standard Institute (ANSI)
1430 Broadway
New York, New York 10018
ANSI C1, National Electrical Code
(Also NFPA No. 70)

American Petroleum Institute
1801 K Street, N.W.
Washington, D.C. 20006
RP 500A, Recommended Practice for Classification of Areas for Electrical
Installations in Petroleum Refineries
RP 530, Recommended Practice for Calculation of Heater Tube Thickness in Petroleum Refineries
Std. 610, Centrifugal Pumps for General Refinery Services
Std. 611, General-Purpose Steam Turbines for Refinery Services
Std. 612, Special-Purpose Steam Turbines for Refinery Services
Std. 616, Combustion Gas Turbines for General Refinery
Std. 617, Centrifugal Compressors for General Refinery Services
Std. 618, Reciprocating Compressors for General Refinery Services
Std. 620, Recommended Rules for Design and Construction of Large, Welded,
Low Pressure Storage Tanks
Std. 650, Welded Steel Tanks for Oil Storage
Std. 661, Air-Cooled Heat Exchangers for General Refinery Services

American Society of Mechanical Engineers (ASME)
345 East 47th Street
New York, New York 10017
ASME Boiler and Pressure Vessel Code
ANSI B31.1.0, Power Piping Systems
ANSI B31.3, Petroleum Refinery Piping
ANSI B31.8, Gas Transmission and Distribution Piping Systems

National Association of Corrosion Engineers (NACE)
2400 West Loop South
Houston, Texas 77027
NACE Std. RP-01, Recommended Practice, Control of External Corrosion on Underground or Submerged Metallic Piping Systems

Nation Fire Protection Association (NFPA)
APPENDIX 14-A (Incorporated by reference)

I. List of organizations and addresses:
   c. The American Society of Mechanical Engineers (ASME), United Engineering Center, 345 East 47th Street, New York, New York 10017.
   e. Manufacturers Standardization Society of the Valve and Fittings Industry (MSS), 127 Park Street, N.E., Vienna, Virginia 22180.
   f. National Fire Protection Association (NFPA), Battymarch Park, Quincy, Massachusetts 02269.

II. Documents incorporated by reference. Numbers in parentheses indicate applicable editions.
   a. American Petroleum Institute:
      3. API Recommended Practice 5LI "API Recommended Practice for Railroad Transportation of Line Pipe" (1990).
   b. The American Society for Testing and Materials:
      4. ASTM Specification A672 "Electric-Fusion-Welded Steel Pipe for High-Pressure Service at Moderate Temperatures" (A672-89b).
Metal-Arc-Welded Steel Pipe for use with High-Pressure Transmission Systems" (A381-89).


c. The American National Standards Institute, Inc.:

d. The American Society of Mechanical Engineers:
   1. ASME Boiler and Pressure Vessel Code, Section VII "Pressure Vessels, Division 1" (1992).

e. Manufacturer's Standardization Society of the Valve and Fittings Industry:

f. National Fire Protection Association:


Appendix:

APPENDIX 15-A

SAMPLE QUESTIONS FOR DEPOSIT REQUESTS
An applicant for electric service shall be asked the following six questions:

1. Employer's name, address and telephone number and applicant's position.

2. Applicant's length of time with present employer. If applicant has less than two years with present employer, previous employment should be obtained or reason(s) for not being previously employed.

3. Whether the applicant owns or rents his place of residence. If renting, the length of occupancy of the premises should be determined.

4. Bank account(s) - types and where located.

5. Whether the applicant has credit cards, charges accounts, loans or
other credit references.

6. Whether the applicant has sources of income other than from employment.

The following guidelines for determining what are positive and negative answers should be used:

1. If the applicant is employed, that is considered a positive answer. The applicant's position is of importance only to the extent that it helps identify the applicant during a credit check with the employer. Position should not be given any weight since it could result in discriminatory treatment of certain individuals who are forced to take low paying positions. Employment of a spouse, with whom the applicant is residing, would be considered equivalent to employment of the applicant.

2a. If the applicant has been employed by the present employer for two years, that is considered a positive answer.

2b. If the applicant has been employed by the present employer for less than two years, but has been employed by only one other employer during the past two years, that is considered a positive answer.

2c. If the applicant has been employed by the present employer for less than two years and has no previous employment having recently graduated from high school or college or having recently been discharged from military duty, or having been recently widowed, separated or divorced, the response should be considered positive.

3. If the applicant owns his or her home, or has occupied the premises for two or more years, or has occupied the premises and the preceding residence for two or more years, that should be considered a positive answer. [A utility may choose not to require a deposit of homeowners for that reason alone provided it applies that standard uniformly.]

4. If the applicant has had a bank account for more than one year, which is substantiated by the bank to be in good standing, that should be considered a positive answer.

5. If the applicant has credit cards, charge accounts, or has been extended credit by a bank, commercial concern or individual, it would be considered a positive response unless subsequent investigation proved the applicant unworthy of credit.

6. If the applicant indicates other sources of income such as stocks, real estate, welfare, pension, alimony, etc., this would be considered a positive answer.

APPENDIX 15-B

SAMPLE QUESTIONS FOR DEPOSIT REQUESTS

An applicant for gas service shall be asked the following six questions:

1. Employer's name, address and telephone number and applicant's position.

2. Applicant's length of time with present employer. If applicant has less than two years with present employer, previous employment should be obtained or reason(s) for not being previously employed.

3. Whether the applicant owns or rents his place of residence. If renting, the length of occupancy of the premises should be determined.

4. Bank account(s)-types and where located.

5. Whether the applicant has credit cards, charge accounts, loans or other credit references.

6. Whether the applicant has sources of income other than from employment.

The following guidelines for determining what are positive and negative
answers should be used:

1. If the applicant is employed, that is considered a positive answer. The applicant's position is of importance only to the extent that it helps identify the applicant during a credit check with the employer. Position should not be given any weight since it could result in discriminatory treatment of certain individuals who are forced to take low paying positions. Employment of a spouse, with whom the applicant is residing, would be considered equivalent to employment of the applicant.

2a. If the applicant has been employed by the present employer for two years, that is considered a positive answer.

2b. If the applicant has been employed by the present employer for less than two years, but has been employed by only one other employer during the past two years, that is considered a positive answer.

2c. If the applicant has been employed by the present employer for less than two years and has no previous employment having recently graduated from high school or college or having recently been discharged from military duty, or having been recently widowed, separated or divorced, the response should be considered positive.

3. If the applicant owns his or her home, or has occupied the premises for two or more years, or has occupied the premises and the preceding residence for two or more years, that should be considered a positive answer. (A utility may choose not to require a deposit of homeowners for that reason alone provided it applies that standard uniformly.)

4. If the applicant has had a bank account for more than one year, which is substantiated by the bank to be in good standing, that should be considered a positive answer.

5. If the applicant has credit cards, charge accounts, or has been extended credit by a bank, commercial concern or individual, it would be considered a positive response unless subsequent investigation proved the applicant unworthy of credit.

6. If the applicant indicates other sources of income such as stocks, real estate, welfare, pension, alimony, etc., this would be considered a positive answer.

APPENDIX 15-C

SAMPLE QUESTIONS FOR DEPOSIT REQUESTS

An applicant for telephone service shall be asked the following six questions:

1. Employer's name, address and telephone number and applicant's position.
2. Applicant's length of time with present employer. If applicant has less than two years with present employer, previous employment should be obtained or reason(s) for not being previously employed.
3. Whether the applicant owns or rents his place of residence. If renting, the length of occupancy of the premises should be determined.
4. Bank account(s)-types and where located.
5. Whether the applicant has credit cards, charge accounts, loans or other credit references.
6. Whether the applicant has sources of income other than from employment.

The following guidelines for determining what are positive and negative answers should be used:

1. If the applicant is employed, that is considered a positive answer. The applicant's position is of importance only to the extent that it
helps identify the applicant during a credit check with the employer. Position should not be given any weight since it could result in discriminatory treatment of certain individuals who are forced to take low paying positions. Employment of a spouse, with whom the applicant is residing, would be considered equivalent to employment of the applicant.

2a. If the applicant has been employed by the present employer for two years, that is considered a positive answer.
2b. If the applicant has been employed by the present employer for less than two years, but has been employed by only one other employer during the past two years, that is considered a positive answer.
2c. If the applicant has been employed by the present employer for less than two years and has no previous employment having recently graduated from high school or college or having recently been discharged from military duty, or having been recently widowed, separated or divorced, the response should be considered positive.

3. If the applicant owns his or her home, or has occupied the premises for two or more years, or has occupied the premises and the preceding residence for two or more years, that should be considered a positive answer. A utility may choose not to require a deposit of homeowners for that reason alone provided it applies that standard uniformly.
4. If the applicant has had a bank account for more than one year, which is substantiated by the bank to be in good standing, that should be considered a positive answer.
5. If the applicant has credit cards, charge accounts, or has been extended credit by a bank, commercial concern or individual, it would be considered a positive response unless subsequent investigation proved the applicant unworthy of credit.
6. If the applicant indicates other sources of income such as stocks, real estate, welfare, pension, alimony, etc., this would be considered a positive answer.

APPENDIX 16
(refer to ðð 143.12, 275.12 and 434.11)
FORM DSS-2236 [11/74]
UTILITY REFERRAL
Request for Action on Hardship Case
from Utility Company to Local DSS

STATE OF NEW YORK DEPARTMENT OF SOCIAL SERVICES
NAME OF CUSTOMER | TELEPHONE NUMBER | TYPE OF SERVICE
ADDRESS(Specify Apartment Number) | LIVING ARRANGEMENT | [ ] Gas [ ] Electric
| [ ] Gas Heat
| [ ] Alone [ ] Electric Heat
| [ ] With Others

DESCRIBE TYPE OF HARDSHIP | TYPE OF DWELLING | DATE AND HOUR OF
| [] Single Family | VERBAL REFERRAL TO
| Home | DSS
| [] Flat/Apt. |
| [] Trailer |
CHECK AS APPROPRIATE. USE ADDITIONAL SPACE FOR FURTHER INFORMATION.
[] AGE, INFIRMITY OR MENTAL INCAPACITATION
[] LIFE SUPPORT SYSTEM
[] SERIOUS ILLNESS
[] PHYSICAL DISABILITY
[] OTHER (SPECIFY)

LIST EFFORTS MADE TO RESOLVE SITUATION

| HOW LONG IS PAYMENT OVERDUE | TOTAL AMOUNT OWED | CUSTOMER RECEIVING: |
|                             |                   | (Check appropriate   |
|                             |                   | box)                 |
|                             |                   | [] Public Assistance |
|                             |                   | [] SSI               |
|                             |                   | [] Unknown           |

SIGNATURE OF PERSON COMPLETING FORM | DATE

UTILITY COMPANY OFFICE ADDRESS

INSTRUCTIONS
1) Mail original to local D.S.S.
2) Keep second copy for your files.

SO DOC 16C-AP17

APPENDIX 17
A MODEL LETTER AND FORM FOR DOCUMENTATION
OF INABILITY TO PAY UTILITY BILLS
UNDER 16 NYCRR 633.5

We have received an initial certificate of medical emergency, under which we must continue to provide you utility service for 30 days, starting ____________ and continuing until the beginning of business on ____________.

At the expiration of that period, we can, under the provisions of the Public Service Commission's regulations (633.5), terminate your utility service UNLESS the medical condition persists AND you do not have enough ready cash or income to meet your past-due and current utility bills and still meet your other necessary expenses such as food, housing, heating and medical treatment.

We enclose a form that you can use to provide the information we need to make a determination, as required by regulation, whether you are unable to pay past-due and current bills. We will continue to provide you utility service while we consider the information you provide.

If we determine that you have NOT demonstrated that you are unable to pay past-due and current bills, we will notify you in writing and inform you how you can seek review of our determination by the Public Service Commission.

If we determine that you have NOT shown that you have a financial hardship, we will offer you a deferred payment agreement, so that you can pay past-due bills and installments while you meet all current bills. And if you DO show a financial hardship, we will try to work out
an arrangement so that you will not accumulate substantial past-due bills.
If you have any questions, you can call (local utility office/customer representative) at XXX-XXXX. If you are not satisfied with our response, you also can call the Public Service Commission between the hours of 9:00 a.m. and 4:45 p.m., Monday through Friday, at 1-800-342-3377.

Very truly yours,

APPENDIX 17

A. INFORMATION ON LIQUID ASSETS AND CURRENT INCOME.

1. Liquid assets, such as cash, bank savings or checking accounts, etc. should be listed.
   Cash on hand $ ______________
   Bank checking account No. ______ Amt. presently in account $ _____
   Bank savings account No. ______ Amt. presently in account $ _____
   Name and address of banks __________________________________________

2. Income information:
   Source of Income: Work Yes_____ No_____ Amt._____ (month)
   SSI Yes_____ No_____ Amt._____ per mo.
   Public or other Assistance Yes_____ No_____ Amt._____ per 2 wks

3. EXPENSES

   MONTHLY PAYMENT     AMT. OWING
   Housing: Rent_____ Own_____
   Food: Food Stamps: Yes_____ No_____
   Medical expenses:
      (incl. prescriptions)
   Utility: (gas and electric)
   Heating: (gas and electric)
   Telephone:
   Installment payments: (credit card)
   Transportation:
   Car expense: (loan, gas, etc.)
   Education:
   Other:

I, the undersigned, do hereby certify that the above information provided is the truth, to the best of my knowledge.

____________________________
(signature)
____________________________
(date)