

State of New Hampshire
PUBLIC SERVICE COMMISSION
CONCORD



Uniform Classification of Accounts
for
Gas Utilities

Effective January 1, 1939

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EVANS PRINTING COMPANY
CONCORD, N. H.
55577

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GENERAL INSTRUCTIONS

Records

Each company shall keep its general books of account, and all other books and records which support in any way the entries to such books of account, so that it can 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 permit a ready analysis and verification of the facts recorded therein.

The books referred to herein include not only books of account in a limited technical sense but all other records such as minute books, stock books, etc., which will be useful in developing the history of any transaction.

All operating, accounting, or financial papers, records, books, invoices, stubs, maps, or documents shall be retained for such periods as have been or may be designated from time to time by the Commission.

Such records shall be accessible at all times to the authorized representatives of the Commission, and shall be kept in such manner that they may be produced within the state at such times and places as the Commission may designate.

Method of Accounting

All the accounts defined in this system of accounts shall be kept by the double entry method. The books shall be so kept as to permit closing at the end of each calendar year.

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.

Account Numbers Not a Part of Title

The numbers prefixed to account titles herein are solely for convenience of reference and are not part of the titles.

Submittal of Questions

To maintain uniformity of accounting, companies shall promptly submit all questions of doubtful interpretation to the Commission for consideration and decision.

Classification of Companies

For the purpose of applying the system of accounts herein prescribed, gas utilities are hereby grouped into the following three classes:

- Class A. Utilities having average annual gas operating revenues of \$50,000 or more.
- Class B. Utilities having average gas operating revenues of more than \$5,000 but less than \$50,000.
- Class C. Utilities having average annual gas operating revenues of less than \$5,000; and all unincorporated utilities with the consent of the Commission.

For the purposes of the above classification, average annual gas operating revenue shall be based on the three calendar years next preceding the current accounting period.

Where there is an affiliation of companies, as defined in Chap. 182, Laws of 1933, the Commission may require the class to which each such affiliated company belongs to be determined on the basis of the total annual gas operating revenue for all such affiliates.

In the case of any gas utility not heretofore reporting, the annual revenue from which is not known in advance, such utility shall be classed in accordance with a reasonable estimate of its prospective earnings.

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 gas operating revenues. Notice of such action shall be promptly filed with the Commission.

Applicability of Accounts

This classification of accounts is prescribed for all gas utilities subject to the jurisdiction of the Commission.

Each utility shall keep, so far as they are applicable to its business, all the Balance Sheet, Revenue, Income and Surplus accounts.

The letters A, B, and C which precede Fixed Capital and Operation and Maintenance account numbers indicate the classes of utilities which shall keep these accounts.

Each utility shall keep, so far as they are applicable to its business, at least those Fixed Capital and Operation and Maintenance accounts provided for the class to which it belongs. In the case of Fixed Capital accounts it shall keep such subdivisions of accounts as are provided for under the Fixed Capital instruction entitled "Continuing Property Record Required." In the case of Operation and Maintenance accounts it shall keep separate subdivisions under each Production Expense account (accounts 700 to 742 inclusive) for the expenses applicable to each production plant operated by it.

Clearing Accounts

Nothing herein shall prevent utilities from maintaining such clearing accounts as will facilitate its accounting operations.

Industrial Concerns Operating Gas Utility Departments

An industrial organization which operates a gas utility as an activity incidental to its industrial business shall maintain accounts and records for the utility department which conform to the requirements of this classification insofar as they apply.

Balance sheet accounts shall be kept for the utility department which will show the assets and liabilities directly allocatable to that department. The company's investment in the department over and above such of the company's liabilities as were directly incurred for the benefit of the utility department, and which should therefore appear in appropriate liability accounts in the departmental balance sheets, shall appear under account 209—Non-Corporate Proprietorship. Temporary advances to the utility department shall be carried under account 212—Advances from Affiliate Companies.

Separate operating accounts shall be kept for the utility department, with a proper allocation of those expenses made by the company for the joint benefit of its utility and non-utility departments, such as administrative salaries, rents, labor and taxes. The records must show clearly the basis used for the allocation.

Property devoted to the use of other departments of the company shall not be classified as non-operating property of the utility department on the utility department balance sheet.

BALANCE SHEET ACCOUNTS

ASSETS AND OTHER DEBITS

Fixed Assets

- 100. Fixed Capital—Gas
- 108. Fixed Capital—Other
- 110. Non-Operating Property

Investments

- 111. Investments in Affiliated Companies
- 112. Miscellaneous Investments
- 113. Sinking Funds
- 114. Miscellaneous Special Funds
- 115. Depreciation Funds

Current Assets

- 120. Cash
- 121. Special Deposits
- 122. Working Funds
- 124. Notes Receivable
- 125. Accounts Receivable
- 126. Receivables from Affiliated Companies
- 127. Subscriptions to Capital Stock
- 128. Interest and Dividends Receivable
- 131. Materials and Supplies
- 132. Prepayments
- 133. Miscellaneous Current Assets

Deferred Debits

- 140. Unamortized Debt Discount and Expense
- 141. Property Abandoned
- 143. Clearing Accounts
- 145.1 Maintenance Work in Progress
- 145.2 Jobbing Accounts
- 146. Miscellaneous Suspense

Company Securities Owned

- 152. Reacquired Securities
- 154. Unissued Securities

BALANCE SHEET ACCOUNTS

LIABILITIES AND OTHER CREDITS

Capital Stocks

- 200. Common Stock
- 201. Preferred Stock
- 202. Stock Liability for Conversion
- 203. Premium on Capital Stock
- 204. Capital Stock Subscribed
- 205. Installments Paid on Capital Stock

Non-Corporate Proprietorship

- 209. Non-Corporate Proprietorship

Long Term Debt

- 210. Bonds and Notes
- 211. Receivers' Certificates
- 212. Advances from Affiliated Companies
- 213. Miscellaneous Long Term Debt

Current and Accrued Liabilities

- 220. Notes Payable
- 222. Accounts Payable
- 223. Payables to Affiliated Companies
- 224. Dividends Declared
- 225. Matured Bonds
- 226. Matured Interest
- 227. Customers' Deposits
- 228. Taxes Accrued
- 229. Interest Accrued
- 230.1 Miscellaneous Current Liabilities
- 230.2 Miscellaneous Accruals

Deferred Credits

- 240. Unamortized Premium on Bonds
- 242. Miscellaneous Unadjusted Credits

Reserves

- 250. Depreciation Reserve
- 251. Amortization Reserve
- 254. Uncollectible Accounts Reserve
- 255. Casualty and Insurance Reserve
- 258.1 Sinking Funds Reserve
- 258.2 Reserve for Dividends
- 258.3 Miscellaneous Reserves

Contributions in Aid of Construction

- 265. Contributions in Aid of Construction

Surplus

- 270. Capital Surplus
- 271. Earned Surplus

BALANCE SHEET ACCOUNTS

ASSETS AND OTHER DEBITS

FIXED ASSETS

100. Fixed Capital—Gas

This account shall include the cost of property ordinarily having a life in service of more than one year which is reasonably requisite for use in the conduct of its gas operations. Separate subdivisions shall be maintained for gas operating property constituting a distinct operating unit leased to others for gas operations when the lessee has exclusive possession; for gas operating property jointly owned as a unit; and for gas operating property operated as a unit under joint agreement.

108. Fixed Capital—Other

This account shall include the cost of property ordinarily having a life in service of more than one year which is reasonably requisite for use in the conduct of other utility operations of the utility.

If the accounting utility operates more than one additional other utility, this account shall be subdivided so as to show each such utility in a separate subaccount.

110. Non-Operating Property

This account shall include the cost of physical property other than that used in connection with the several operating departments. This includes land, buildings, and equipment which are held for lease to others, or which have been withdrawn from operations and are held for sale, except that utility property and equipment leased to others for utility operations shall be retained in the Fixed Capital of the respective utility departments.

INVESTMENTS

111. Investments in Affiliated Companies

This account shall include the ledger value of the accounting utility's investment in securities or non-negotiable notes issued or assumed by affiliates, as defined in Chap. 182, Laws

of 1933; also of its investment advances to such companies represented by debit balances in open accounts with affiliates not subject to current settlement, and interest accrued on such open accounts when such interest is not subject to current settlement.

This account shall be subdivided as follows:

- a. Stock
- b. Bonds
- c. Notes
- d. Advances

Note A. Accounts with affiliated companies which are subject to current settlement, such as charges for materials and supplies currently furnished, charges for repairs to equipment, etc., shall be classed as current assets or current liabilities as may be appropriate.

Note B. Securities borrowed by the accounting utility and pledged shall not be included in this account.

Note C. Securities pledged for purposes other than that of security for long or short term debt of the accounting utility shall be included in account 113—Sinking Funds, account 115—Depreciation Funds, or account 114—Miscellaneous Special Funds, as may be appropriate.

112. Miscellaneous Investments

This account shall include the cost (except as otherwise provided hereunder) of the utility's investment in securities of non-affiliate companies, if such securities are not included in any special fund account; of long term special deposits; and any other investments not elsewhere provided for. The account shall be kept so as to show separately for each company in which investment has been made, the amount and detail of each class of securities held.

When investments carried in this account depreciate in value and the change is considered by the company 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 414—Miscellaneous Debits to Surplus.

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 through periodic debits or credits (as the case may be) to this

account, and concurrent credits to account 526—Miscellaneous Non-Operating Revenues, or debits to account 527—Non-Operating Revenue Deductions.

Records shall be kept which will permit ready analysis of the balance in this account as between:

- a. Stocks
- b. Bonds
- c. Long term notes
- d. Miscellaneous

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.

Note C. The face amount of notes receivable discounted or sold without releasing the company from liability as endorser thereon, shall not be credited to this account, but to the liability account appropriate for the obligations incurred.

113. Sinking Funds

This account shall include the amount of cash, the ledger value of securities of other companies, and other assets which are held by trustees of sinking funds for the purpose of redeeming outstanding obligations, including such assets so held by the accounting utility when they are segregated in a distinct fund; also amounts deposited with such trustees on account of mortgaged property sold, when the proceeds of such sale are to be held for the redemption of securities; and the cost of live securities issued or assumed by the accounting utility and held in such funds. A separate subaccount shall be kept for each fund and the title of each fund shall designate the obligation in support of which the fund is created.

114. Miscellaneous Special Funds

This account shall include the amount of cash, ledger value of securities of other companies, and other assets held in insurance, employees' pension, savings, relief, hospital and other funds which have been raised and specifically set aside or invested for purposes not elsewhere provided for; also the cost of securities issued or assumed by the accounting utility and held in such funds. A separate subaccount shall be kept for each fund, and the title of each fund shall designate the obligation in support of which the fund is created.

115. Depreciation Fund

If the accounting utility desires, or is required, to segre-

gate in a special fund the assets or any part of the assets represented by the Depreciation Reserve, the ledger value of such assets shall be included in this account.

CURRENT ASSETS

120. 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 on deposit in banks or with trust companies, and cash in transit.

121. Special Deposits

This account shall include the debit balances described under the following subdivisions:

a. Coupon Special Deposits

All moneys and bank credits specially deposited in the hands of fiscal or other agents of the accounting utility for the payment of interest coupons when presented. Such coupons, when paid from such deposits, shall be credited to this account and charged to the appropriate matured interest account. Payments of the interest accrued thereon to trustees or other agents of the holders of bonds or other securities which operate (under the terms of the securities or of mortgages supporting such securities) as a release of the paying corporation from further liability for such interest, shall not be charged to this account but to the appropriate Interest Accrued account.

b. Dividend Special Deposits

All moneys and bank credits specially deposited in the hands of fiscal or other agents of the accounting utility for the payment of dividends upon its stocks. Such dividends, when paid from such deposits, shall be credited to this account and charged to the appropriate dividend account.

c. Miscellaneous Special Deposits

All moneys and bank credits deposited in the hands of fiscal or other agents of the accounting utility for special purposes other than the payment of interest coupons and dividends. Charges to this account shall specify the purpose for which the deposit is made. When such purposes are satisfied, this account shall be credited with the amount specially deposited to provide such satisfaction.

Note.—This account shall not include any assets available for general corporate purposes.

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.

124. Notes Receivable

This account shall include the ledger value of all notes and bills receivable which are the property of the accounting utility and upon which solvent concerns or individuals are liable, except notes coming within the definition of account 111—Investments in Affiliated Companies, or account 112—Miscellaneous Investments. This covers demand notes issued by others than banks, and time notes, drafts, etc., by whomever issued.

125. Accounts Receivable

This account shall include all amounts (other than deposits in banks and amounts properly includible in account 126—Receivables from Affiliated Companies) owing to the accounting utility upon open book accounts with solvent concerns, public bodies, and individuals; also the ledger value of all accounts and claims upon which responsibility is acknowledged by solvent concerns and individuals, or which are sufficiently secured to be considered good, and of all judgments against such concerns where the judgment is not appealable or suspended through appeal. This account shall not include notes or other evidences of indebtedness.

Note A. The record of accounts receivable shall be kept in such manner as to permit the ready segregation of the three groups, customers' accounts, merchandise and jobbing accounts, and miscellaneous accounts receivable.

Note B. It is suggested that, when practicable, customers' accounts be further classified into current month accounts, accounts more than one month but less than one year old, and accounts over one year old.

126. Receivables from Affiliated Companies

This account shall include the debit balances in open accounts with affiliates, as defined in Chap. 182, Laws of 1933, subject to current settlement; also notes and drafts upon which affiliates are liable, which mature and are expected to be paid in full not later than one year from date of issuance; and interest accrued on any of the foregoing items. 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 ninety days from their due date, shall be transferred to account 111—Investments in Affiliated Companies.

Note A. The face amount of notes receivable discounted or sold without releasing the company from liability as endorser thereon, shall not be credited to this account but to the liability account appropriate for the obligation incurred.

127. Subscriptions to Capital Stock

This account shall be charged with subscriptions received for capital stock. The amount expressed in the entry charging this account shall be determined in accordance with the subscription agreement. Concurrently, there shall be credited to account 204—Capital Stock Subscribed, an amount representing the stock subscribed as stipulated in the subscription agreement. Payments received from subscribers shall be credited to this account.

128. Interest and Dividends Receivable

This account shall include the amount of interest accrued to the date of the balance sheet on funded and unfunded securities, loans, open accounts, mortgages and deposits held by or for the accounting utility, dividends declared on stocks similarly held, and dividends accrued on stocks when contracts require that the dividends be paid at stated times.

Note A. No amount representing interest or dividends receivable shall be included in this account unless its payment is reasonably assured by past experience, anticipated provision, or otherwise; but the definition of this account shall not be construed to prevent the carrying of interest and dividends receivable in a suspense account until collection has actually been made, even though the debtor be considered to be solvent.

Note B. Interest and dividends receivable from affiliated companies shall not be included in this account, but shall be charged to account 111—Investments in Affiliated Companies, or to account 126—Receivables from Affiliated Companies, as the case may be.

131. Materials and Supplies

This account shall include the cost of all unapplied materials and supplies, including tools, repair parts, fuel, stationery, etc. 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 1811—Transportation Expenses, or to the appropriate subdivision of account 143—Clearing Accounts. 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 1810—Stores Expenses, or to the appropriate subdivisions of account 143—Clearing Accounts.

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.

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 through the Depreciation Reserve, repair accounts, or other accounts which were credited when the materials were charged to this account.

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 gas operations, those held for merchandise operations, those held primarily for use in other class-

es of operations, those held for sale, and those which because of their nature can not be identified with any of the four foregoing purposes.

- Note A. Interest charged on material bills, the payment of which is delayed, shall be charged to account 1535—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 1812—Inventory Adjustments.
- 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.

132. 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:

- a. Taxes and Licenses
- b. Insurance
- c. Interest
- d. Rents
- e. Miscellaneous

133. Miscellaneous Current Assets

This account shall include the cost of all current assets which are not includible under any of the foregoing accounts.

DEFERRED DEBITS**140. 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, if any, in connection with the issuance of each class of the company's long term debt. Separate subdivisions shall be maintained in respect to each issue of obligations. At regular accounting intervals a proper portion of the balance in each subdivision of this account, based upon the life to maturity of the bonds or other evidences of indebtedness, shall be credited to this account and debited to account 1531—Amortization of Debt Discount and Expense.

Note A. 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 414—Miscellaneous Debits to Surplus.

Note B. Except as provided above, the balance in each subdivision of this account shall be carried until the reacquisition of the securities to which it relates. At that time (unless otherwise ordered by the Commission in the case of an exchange of securities) a portion of the balance in the subdivision for the particular class of long term debt reacquired shall be transferred to account 414—Miscellaneous Debits to Surplus, 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 funds.

141. Property Abandoned

This account is intended to be used, with the consent of the Commission, as a suspense account which shall include the retirement loss (i. e., net book value, estimated if not known, plus cost of dismantling, less salvage) on property destroyed or abandoned because of replacement, of obsolescence, of an extraordinary casualty, or for any other reason, when such loss has not been provided for in advance through a reserve. Amounts thus charged should be amortized through annual or more frequent charges over a definitely determined period to such accounts as shall be prescribed by the Commission.

143. Clearing Accounts

This account shall include the balances in accounts maintained to carry temporarily the cost of operating and maintaining

such facilities as office buildings, storehouses, transportation structures and equipment, shops, etc.; and such overhead or burden costs as it is desirable to apportion to the construction, operating, and other accounts involved.

Balances in these accounts shall be fully cleared not later than the end of the calendar year, unless items therein unquestionably relate to a future period; except that items incurred in December may be carried over to be cleared in January.

145.1 Maintenance Work in Progress

This account shall include the total of the balances in open "work order" or "job order" accounts for maintenance work in progress, or in suspense accounts to which the cost of maintenance work is temporarily charged pending its final distribution to the appropriate operation and maintenance accounts.

Note—Charges for additions to Fixed Capital may be carried in account 1395—Unfinished Construction.

145.2 Jobbing Accounts

This account shall include the balances in accounts with customers or others for jobbing work not completed at the date of the balance sheet. Such accounts, when work is completed, shall be cleared by charges to account 125—Accounts Receivable.

146. Miscellaneous Suspense

This account shall include all debit balances (other than those provided for in accounts 140, 141, 143, 145.1 and 145.2) in suspense accounts that cannot be entirely cleared and disposed of until additional information is received, such as 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.

When the amount likely to be realized on deposits in closed banks has been determined, the amount of probable loss shall be charged to account 271—Earned Surplus, or to a reserve provided from Earned Surplus. The balance shall remain in this account until the account is actually liquidated.

This account shall be kept so as to show separately the nature and balance of each major item included herein.

COMPANY SECURITIES OWNED

152. Reacquired Securities

When securities, whether debt or capital stock, actually issued by the accounting utility to bona fide holders for value, or securities so issued by another corporation which have been assumed by the accounting utility, have been acquired under circumstances which require that they shall not be treated as paid or retired, they shall be charged to this account at face value, or, in the case of no-par-value stock, at the proportionate amount at which the particular class and series of stock is included in account 200—Common Stock or account 201—Preferred Stock.

The difference between the amount at which capital stock is included in this account and the amount paid by the utility for such stock, including commissions and expenses paid in connection with the reacquisition, shall be debited or credited at the time of acquisition, to account 270—Capital Surplus, provided, however, that debits shall be charged to account 414—Miscellaneous Debits to Surplus, if the amounts thereof exceed the balance in capital surplus; and provided further, that in no event shall debits in excess of accumulated credits from the reacquirement and sale of reacquired capital stock be charged to capital surplus.

When reacquired capital stock is resold by the utility, the par value (or amount included in this account for stock without par value) of the stock resold shall be credited to this account and the difference between such amount and the amount received by the utility from the resale, less commissions and expenses incurred in the resale, shall be accounted for as outlined in the preceding paragraph.

Note A. This account shall not include securities that are merely guaranteed, nor any securities held in sinking and other reserve funds.

154. Unissued Securities

This account shall include the par value of securities which have been nominally but not actually issued by the company. The term "nominally issued" applies to those securities which have been signed, certified, or otherwise completely executed, and placed with the proper officer for sale or delivery, or pledged, but which have neither been sold nor issued direct to trustees of sinking funds in accordance with mortgage requirements.

When non-par stock is nominally issued a memorandum entry only shall be made in this account showing the number of shares so issued.

Subdivisions shall be maintained under this account for each class of securities.

LIABILITIES AND OTHER CREDITS

CAPITAL STOCKS

200. Common Stock

This account shall include the par value of common stocks with par value, and the money value of the consideration for actually issued non-par common stocks, certificates for which have been issued to represent interests in the utility; and also assessments levied upon non-par common stocks.

Separate subaccounts shall be provided for each class of common stock, and the title of each subaccount shall clearly identify the class of stock covered. Issues of stock shall not be considered as of the same class unless identical in all provisions, nor shall there be carried any undivided item in respect to more than one class of stock.

If stock is issued for money, that fact shall be stated; if for any consideration other than money, the person to whom it is issued shall be designated and the consideration for which it is issued shall be described with sufficient particularity to identify it. If such issuance is to the treasurer or other agent of the corporation for the purpose of sale, that fact and the name of such agent shall be shown; and such agent shall show like details concerning the consideration realized therefor in his account of the disposition thereof, which, when accepted by the corporation, shall be preserved as a corporate record.

When non-par stock is reacquired and retired, the amount to be charged hereto shall be the proportion of the sum of all items included herein for the actually outstanding shares of the particular class of stock of which the reacquired shares are a part, applicable to the reacquired shares immediately prior to reacquisition.

Note A. For each class of stock the records shall show the number of shares nominally issued, actually outstanding, and nominally outstanding. When non-par stock is nominally issued a memorandum entry only shall be made in this account showing the number of shares so issued.

Note B. When non-par stock is issued in exchange for par stock, amounts included in account 203—Premium on Capital Stock for the retired stock shall be transferred to the appropriate non-par stock account.

Note C. 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 stock, except upon order of the Commission. Amounts transferred from other accounts to accounts for non-par stock shall be carried in separate subdivisions in this account, so numbered and entitled as to indicate the issue to which they relate and the account from which they were transferred.

201. Preferred Stock

This account shall include the par value of preferred stocks with par value, and the money value of the consideration for actually issued non-par preferred stocks, certificates for which have been issued to represent interests in the utility; and also assessments levied upon non-par preferred stocks.

Separate subaccounts shall be provided for each class of preferred stock, and the title of each subaccount shall clearly identify the class of stock covered. Issues of stock shall not be considered as of the same class unless identical in all provisions, nor shall there be carried any undivided item in respect to more than one class of stock.

If stock is issued for money, that fact shall be stated; if for any consideration other than money, the person to whom it is issued shall be designated and the consideration for which it is issued shall be described with sufficient particularity to identify it. If such issuance is to the treasurer or other agent of the corporation for the purpose of sale, that fact and the name of such agent shall be shown; and such agent shall show like details concerning the consideration realized therefor in his account of the disposition thereof, which, when accepted by the corporation, shall be preserved as a corporate record.

When non-par stock is reacquired and retired, the amount to be charged hereto shall be the proportion of the sum of all items included herein for the actually outstanding shares of the particular class of stock of which the reacquired shares are a part, applicable to the reacquired shares immediately prior to reacquisition.

Note A. For each class of stock the records shall show the number of shares nominally issued, actually outstanding, and nominally outstanding. When non-par stock is nominally issued a memorandum entry only shall be made in this account showing the number of shares so issued.

Note B. When non-par preferred stock is issued in exchange for par stock, amounts included in account 203—Premium on Capital Stock for the retired stock shall be transferred to the appropriate non-par stock account.

Note C. 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 stock except upon order of the Commission. Amounts transferred from other accounts to accounts for non-par stock shall be carried in separate subdivisions in this account, so numbered and entitled as to indicate the issue to which they relate and the account from which they were transferred.

202. Stock Liability for Conversion

This account shall include the par value of par stock and the money value of the consideration for non-par stock which the utility has agreed to exchange for previously acquired property under terms which allow the holders of securities of other companies to surrender such securities held by them and receive in return therefor stock of the accounting utility.

The records shall be kept so that stocks of different classes are separately shown.

When such securities have been surrendered, this account shall be charged and the appropriate capital stock account shall be credited.

203. Premium on Capital Stock

This account shall include the excess of the actual money value (at the time of sale of the stock) of the consideration received over the par value of the stock issued and accrued dividends, if any; and subsequent assessments against stockholders representing payments required in excess of par value. If the stock is issued to the treasurer or other agent of the corporation for the purpose of sale, the excess of the actual money value of the consideration obtained by such agent in exchange for such stock over the par value and accrued dividends thereon shall be considered the premium realized.

A separate subaccount shall be maintained for premiums on each class of par stock. Entries in this account shall be carried until offset by credits to account 270—Capital Surplus upon reacquisition of the related stock, or by credits to non-par capital stock accounts in case of issuance of non-par stock in exchange for stock with par value.

204. Capital Stock Subscribed

This account shall include the agreed purchase price of stock for which legally enforceable subscriptions have been received but for which at the date of the balance sheet certificates have not been issued. A separate subaccount shall be maintained for each class of stock. Credits to this account shall reflect the agreed purchase price (exclusive of accrued dividends, if any) of the stock and shall be so recorded as to show separately, in respect to stock with par value, the par amount of stock subscribed for and the premium payable thereon. This account shall be debited when the subscriber has paid his subscription in full and stock certificates are issued representing the shares subscribed.

205. Installments Paid on Capital Stock

This account shall include the amount of installments paid on capital stock on a partial or installment payment plan by subscribers who are not bound by a legally enforceable subscription contract and who are entitled to be reimbursed for the principal amount of their payments, with or without interest, in case they fail to complete payments for the stock and to receive certificates therefor.

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 necessary to make the history of the subscription complete.

NON-CORPORATE PROPRIETORSHIP**209. Non-Corporate Proprietorship.**

This account shall include 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.

Note—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.

LONG TERM DEBT**210. Bonds and Notes**

This account shall include the face value of unmatured bonds and notes issued by the accounting utility and not retired or canceled; of similar unmatured bonds and notes of other companies, the payment of which has been assumed by the accounting utility; and of bonds and notes so issued or assumed, the maturity of which has been extended by specific agreement.

This account shall be kept so as to show the face value of bonds and notes, whether nominally issued, actually outstanding, or nominally outstanding.

The obligations included herein shall be recorded so as to show the amount of each issue within each class of bonds and notes as follows:

- a. Mortgage Bonds—Bonds the principal and interest of which are secured by lien on physical property (except when the lien is exclusively on equipment).
- b. Collateral Trust Bonds—Bonds secured by a lien on securities or commercial paper.
- c. Income Bonds—Bonds which are a lien on the utility's income alone, or bonds which, while being a lien on its property, can claim payment of interest only in case interest is earned.
- d. Debentures—Bonds which are not secured by pledge of any specific property but are issued against the general credit of the utility.
- e. Equipment Obligations—Bonds or other obligations for which equipment is pledged as security or is held under a "conditional sales agreement."

A separate subdivision shall be maintained for each class of bonds and notes, and no two issues of bonds or notes shall be considered to be of the same class unless identical as to nature of lien or security, rate of interest, interest dates, and date of maturity, except that parts of any bond or note 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 or notes covered.

211. Receivers' Certificates

This account shall include the face value of certificates of indebtedness issued by receivers acting under the orders of a court.

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

212. Advances from Affiliated Companies

This account shall include the face value of notes issued to affiliates as defined in Chap. 182, Laws of 1933, and maturing on demand or later than one year from date of issuance; credit balances in open accounts with such affiliates not subject to current settlement; and interest accrued on notes and accounts included herein when such interest is not subject to current settlement.

This account shall be subdivided so as to show for each affiliated company:

- a. Notes payable on demand
- b. Notes payable on specified dates
- c. Open accounts not subject to current settlement
- d. Interest accrued on amounts included in this account when not subject to current settlement

213. Miscellaneous Long Term Debt

This account shall include all long term debt not otherwise provided for. This covers such items as real estate mortgages executed or assumed, assessments for public improvements, receipts outstanding for long term debt, and other obligations maturing more than one year after date of issuance or assumption by the utility.

A separate subdivision shall be maintained for each class of obligation included in this account, and the title of each subdivision shall show the essential characteristics of the obligations covered.

CURRENT AND ACCRUED LIABILITIES

220. Notes Payable

This account shall include the balances representing outstanding obligations in the form of notes, drafts, acceptances, or other similar evidences of indebtedness payable on demand or within a time not exceeding one year from date of issue.

Note—Secured notes and time loans payable more than one year from the date of issue shall be included in account 210—Bonds and Notes.

222. Accounts Payable

This account shall include the amount of audited vouchers or accounts and audited pay rolls unpaid on the date of the balance sheet; also balances representing unclaimed wages, open accounts with other companies, except such as are includible under account 212—Advances from Affiliated Companies, and similar items.

223. Payables to Affiliated Companies

This account shall include the credit balances in open accounts with affiliates as defined in Chap. 182, Laws of 1933, which are subject to current settlement; also balances representing notes and drafts issued by the accounting utility to affiliates which mature and are expected to be paid in full not more than one year from date of issuance; and interest accrued on any of the foregoing items. 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 ninety days from the due date shall be transferred to account 212—Advances from Affiliate Companies.

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 as of the day upon which they become a liability of the corporation, and when paid shall be debited to this account and credited to account 120—Cash, account 121—Special Deposits, or other appropriate account.

Note—When a reserve for dividends is set aside as provided in account 258.2—Reserve for Dividends, they need not be included in this account unless unpaid after the date on which they become payable.

225. Matured Bonds

This account shall include the amount of bonds matured and unpaid without specific agreement for extension as to time of payment, including unrepresented bonds drawn for redemption through the operation of sinking and redemption fund agreements.

Note—Real estate mortgages whose nominal maturity has been reached but which, by mutual agreement between mortgagee and mortgagor, are continued indefinitely as obligations of the accounting utility need not be transferred to this account, but may continue to be carried in account 213—Miscellaneous Long Term Debt.

226. Matured Interest

This account shall include the amount of matured and unpaid interest on debt of the accounting utility except where such interest is added to the principal.

227. Customer's Deposits

This account shall include the amounts deposited with the accounting utility by customers as security for the payment of bills. Deposits refunded shall be charged to this account and credited to account 120—Cash, or to account 114—Miscellaneous Special Funds, if a special fund for such deposits is maintained. Deposits applicable to uncollectible or worthless bills shall, at the close of the fiscal year (or earlier at the option of the accounting utility), be credited to the account of the customer involved and debited to this account.

228. Taxes Accrued

This account shall be credited each month with the amount of taxes 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 applicable to the year. Payments of taxes for which accruals have been made shall be debited to this account.

A separate subdivision of this account shall be kept for each kind of tax.

229. Interest Accrued

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, except interest which is added to the principal. When interest is paid it shall be charged to this account and credited to account 120—Cash, or other suitable account. Records shall be kept so as to show separately for each item of indebtedness the interest accruals thereon.

When interest matures without being paid, it shall be charged to this account and credited to account 226—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 of the paying company 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 such judgment stands credited.

230.1 Miscellaneous Current Liabilities

This account shall include the balances in all open accounts representing current liabilities not specifically provided for in the foregoing accounts.

230.2 Miscellaneous Accruals

This account shall include the balances in all accounts representing accrued liabilities other than interest or taxes.

DEFERRED CREDITS**240. Unamortized Premium on Bonds**

This account shall include the total of the net credit balances representing the excess of the premium over the discount and expense in connection with issuance of each class of the utility's long term debt. A separate subdivision shall be maintained in respect to each issue of obligations. At regular accounting intervals a proper portion of the balance in each subdivision of this account, based upon the life to maturity of the bonds or other evidences of indebtedness, shall be debited to this account and credited to account 1531—Amortization of Debt Discount and Expense.

Note—Except as provided above, the balance in each subdivision of this account shall be carried until the reacquisition of the securities to which it relates. At that time (unless otherwise ordered by the Commission in the case of an exchange of securities) a portion of the balance in the subdivision for the particular class of long term debt reacquired shall be transferred to account 401—Miscellaneous Credits to Surplus, 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 reserve funds.

242. Miscellaneous Unadjusted Credits

This account shall include the amount of credit balances in suspense accounts that can not be entirely cleared and disposed of until additional information is received.

RESERVES

250. Depreciation Reserve

To this account shall be credited regularly all charges to account 1503—Depreciation, the income from the investment of any money or from any security belonging to the Depreciation Fund, and any other appropriations which may have been made for this purpose.

Any amounts charged or credited to this account in reduction of balances carried in account 304—Fixed Capital Adjustment as provided for in that account and account 1503—Depreciation, shall be segregated in a subdivision of this account, with complete identification of items.

When through wear and tear, accident, inadequacy, supersession or obsolescence, any building, structure, facility or unit of equipment originally charged to Fixed Capital is no longer economically repairable, or when, in order to keep the productive capacity of the plant up to its original or equivalent state of efficiency, it is necessary to make a complete replacement of such building, structure, facility or unit of equipment, the amount at which it is included in Fixed Capital shall be charged to this account and credited to Fixed Capital.

The cost of removal shall be charged, and the salvage or scrap value credited, to this account.

Note A. If at the time of retirement of any relatively large or important unit of physical property, it is clearly apparent that the amount carried in the reserve, with respect to the unit retired, is too small to provide for the retirement, the deficit shall, with the permission of the Commission, be charged to account 141—Property Abandoned.

Note B. If any structure or equipment is sold at a price in excess of the amount carried in Fixed Capital less the accrued depreciation on the property plus the cost of dismantling and selling, the gain shall be credited to account 401—Miscellaneous Credits to Surplus; if sold at a price less than the amount carried in Fixed Capital less the accrued depreciation on the property plus the cost of dismantling and selling, the loss shall be charged to account 414—Miscellaneous Debits to Surplus.

Note C. The utility is restricted in its use of the amount which it has reserved for depreciation to the applica-

tion of it to retirements of property as above indicated. Moreover, the utility shall make no charges to this account other than those mentioned therein. It shall not divert any portion of the amount reserved for depreciation to surplus or make any other use thereof until it has been authorized to do so by the Commission.

Note D. See also account 1503—Depreciation.

251. Amortization Reserve

This account shall be credited with such amounts as are concurrently charged to account 1504—Amortization, or other appropriate account, for the amortization of leaseholds, franchises, consents, licenses, privileges, patents, and other intangible property having a terminable life, for losses expected to be incurred through acquisition of improvements on leased property by the lessor prior to the expiration of their service lives, and for any anticipated loss in the value of land.

This account shall be concurrently credited with amounts charged to account 414—Miscellaneous Debits to Surplus, to provide a reserve for the amortization of property which does not have a terminable life.

When any land, leasehold, franchise, consent, license, privilege, patent or other item of intangible property expires, is sold or relinquished, or is otherwise retired from service, this account shall be charged with the amount previously credited hereto in respect to such property. If the proceeds realized exceed the net book value of the property retired, the gain shall be credited to account 401—Miscellaneous Credits to Surplus. If the net book value of the property retired exceeds the proceeds realized therefrom, the loss shall be debited to account 414—Miscellaneous Debits to Surplus, or, with the permission of the Commission, to account 141—Property Abandoned.

Records shall be maintained so as to show separately the balances applicable to each item of intangible property which is being amortized.

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 fixed capital.

To the extent that provision has not previously been made, the amounts credited to this reserve shall be concurrently debited to account 414—Miscellaneous Debits to Surplus.

254. Uncollectible Accounts Reserve

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 1783—Uncollectible Accounts—Gas, or account 1789.24—Uncollectible Appliance and Jobbing Bills, for amounts applicable to gas operations; to corresponding accounts for other operations; to account 1527—Non-Operating Revenue Deductions, for similar provision for non-operating revenue.

Amounts over and above those credited in accordance with the preceding paragraph may be transferred to this reserve from account 271—Earned Surplus at the discretion of the management, but no transfer shall be made from this account to account 271—Earned Surplus in excess of amounts previously transferred to this account from that account, without the authority of the Commission.

This account shall be subdivided as follows:

- a. General Customers
- b. Appliance and Jobbing
- c. Other Operations (separately for each operating department)
- d. Miscellaneous

Losses from uncollectible accounts shall be charged, and collections of accounts previously written off shall be credited, to the appropriate subdivision of this account.

255. Casualty and Insurance Reserve

When any admitted liability arises because of loss or damage to the property of others, or of injuries to employees or other persons, the amount of liability may (if not previously provided for by insurance or self insurance) be charged to the appropriate operating expense or other accounts and credited to this account against which (in such case) the actual cost of satisfaction of the liability shall be charged when the matter is determined. If the extent of the liability can not be ascertained promptly after the liability arises, it may be estimated as accurately as practicable for the purpose of determining the immediate charge to the expense or other appropriate account,

in which case the matter shall be adjusted when the extent of the liability is definitely ascertained. If the loss is of such character that it is in whole or in part indemnifiable under any contract of insurance carried by the accounting utility, the indemnifiable portion of the loss shall be charged to the insurer and credited to this account.

This account shall also be credited with amounts charged to account 1798—Insurance, to cover self-carried risks.

258.1 Sinking Funds Reserve

This account shall include the net balances in accounts to which are credited, in accordance with the requirements of mortgages and other contracts, or by action of the utility's directors, definite appropriations of income and surplus whether held in general funds or specifically set aside in the hands of trustees, for the purpose of retiring or redeeming bonds or other obligations of the accounting utility. It shall also reflect such accretions from the investment of funds specifically set aside for the above described purpose as are required to be added to the reserve.

When the debt which the sinking fund is created to redeem matures and the fund has accomplished its purpose, the balance in the reserve shall be charged to this account and credited to account 271—Earned Surplus. If the mortgage or other obligation permits, the par value of bonds or other evidences of indebtedness issued or assumed by the accounting utility which are reacquired through the operations of a sinking fund may be charged to this account and credited to account 271—Earned Surplus when and as such bonds or other evidences of indebtedness are reacquired.

A separate subaccount shall be kept for each fund and the title of each fund shall designate the obligations in support of which the fund is created.

258.2—Reserve for Dividends

This account shall include amounts which may be set aside from Earned Surplus upon an accrual basis in anticipation of the actual declaration of dividends, when such declaration may reasonably be expected. Dividends for which a reserve has been created shall be debited to this account and credited to account 224—Dividends Declared, if not paid on the date when they become payable.

A separate subdivision shall be kept for each class of stock.

- Note A. If the utility does not have an established dividend rate on an issue of capital stock or if dividends are declared at irregular intervals and/or at varying rates, no reserve shall be created for dividends on such stock prior to the date upon which they are declared.
- Note B. If dividends accrued prior to their being declared are not formally declared prior to the date upon which payment of such dividends would ordinarily be due, the entries recording the accrual shall be reversed.

258.3 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.

A separate subdivision shall be kept for each such reserve.

CONTRIBUTIONS IN AID OF CONSTRUCTION

265. Contributions in Aid of Construction

To this account shall be credited contributions in cash, services or property made to the accounting utility for the purpose of assuming the burden or any part of the burden represented by the investment necessary for the establishment or extension of services rendered by the utility, or for other purposes.

It shall include such items as contributions by customers toward the cost of extensions, and the cost of services to which the utility has title, in so far as such cost is borne by the customer; grants from municipal or other governmental bodies, or contributions from chambers of commerce and similar organizations, made with the object of establishing a new service in the community by assuming part of the investment cost of the enterprise. It shall not include advances for the construction of extensions which are ultimately to be repaid wholly or in part to the customer. Such advances shall be credited to account 242—Miscellaneous Unadjusted Credits. When final determination has been made as to the amounts of the advances to be returned to the customer the balance, if any, shall be credited to this account.

The records supporting the account shall be so kept as to permit easy determination of the amounts contributed for each extension and its ready identification.

SURPLUS

270. Capital Surplus

This account shall include all surplus not classified as earned surplus, such as surplus arising from sales by the utility of its reacquired capital stock, from the retirement and cancellation of the utility's capital stock, from donations by stockholders of the utility's capital stock, from a reduction of the par or stated value of the utility's capital stock, and from the forgiveness of debt of the utility.

This account shall be maintained in such manner as to permit a ready analysis of the charges and credits thereto, and all debit and credit entries shall be submitted to the Commission for approval.

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—Capital Surplus.

FIXED CAPITAL ACCOUNTS

- C 1300. INTANGIBLE PROPERTY
 - B A 1301. Organization
 - B A 1302. Franchises and Consents
 - B A 1303. Miscellaneous Intangible Property
 - B A 1304. Fixed Capital Adjustment
- C 1307. LAND
 - B A 1307.1 Production Plant Land
 - B A 1307.6 Distribution System Land
 - B A 1307.7 General and Miscellaneous Land
 - B A 1307.8 Land for Future Development
- C 1308. STRUCTURES
 - B A 1308.1 Production Plant Structures
 - B A 1308.6 Distribution System Structures
 - B A 1308.7 General and Miscellaneous Structures
- C 1315. PRODUCTION EQUIPMENT
 - B A 1315. Power Plant Equipment
 - B A 1317. Coal Gas Generating Equipment
 - B A 1320. Water Gas Generating Equipment
 - B A 1321. Other Gas Generating Equipment
 - B A 1328. Purification Equipment
 - B A 1330. Other Production Equipment
- C 1350. DISTRIBUTION EQUIPMENT
 - B A 1356. Mains
 - B A 1358. Pumping and Regulating Equipment
 - B A 1359. Services
 - B A 1360. Customers' Meters and Installations
 - B A 1361. Miscellaneous Property on Customers' Premises
 - B A 1363. Street Lighting Equipment
- C 1370. GENERAL EQUIPMENT
 - B A 1372.1 Office Equipment
 - B A 1372.2 Merchandising Equipment
 - B A 1373. Transportation Equipment
 - B A 1374. Stores Equipment
 - B A 1375. Shop Equipment
 - B A 1376. Laboratory Equipment
 - B A 1377. General Tools and Implements
 - B A 1378. Communication Equipment
 - B A 1379. Miscellaneous General Equipment
- C B A 1390. MISCELLANEOUS TANGIBLE PROPERTY
- C B A 1395. UNFINISHED CONSTRUCTION

INSTRUCTIONS FOR FIXED CAPITAL ACCOUNTS

Purpose of Fixed Capital Accounts

The Fixed Capital accounts are designed to show the cost of property ordinarily having a life in service of more than one year, which is reasonably requisite for use in the conduct of the utility's gas operations.

Every debit or credit to Fixed Capital 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.

BASIS OF CHARGES TO FIXED CAPITAL

Amounts chargeable to Fixed Capital Accounts shall be the reasonable and necessary cost to the accounting utility of property constructed or installed by it, and the book cost of operating property acquired from a predecessor public utility, determined in accordance with the provisions of this instruction, except that in the case of operating property acquired from a predecessor public utility prior to the effective date of this classification, the price paid by the accounting utility for such property shall be used. Existing book balances may be carried until the completion of the inventory and the determination of the cost to the accounting utility of its present property. At that time proposed journal entries to adjust the differences, if any, between book cost as previously carried and the actual cost to the accounting utility 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.

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 company shall be prepared to furnish to the Commission in detail the basis of its determination of the money value of the consideration if other than money.

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.

When property is purchased under any plan involving deferred payments, no charges shall be made to Fixed Capital for interest, insurance, or other expenditures incidental to such form of payment.

The cost of the construction or acquisition of property chargeable to the Fixed Capital 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 analogous elements applicable to the construction or acquisition of property. The costs which may properly be included 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. It includes also amounts paid for workmen's compensation or employers' liability insurance covering such employees, and corresponding payments made by the accounting utility to governmental agencies for unemployment insurance and old age benefits for such employees.
- (2) "Indirect labor" includes the portion of the pay and expenses of employees indirectly connected with construction work, such as timekeepers, storekeepers, and general office employees, applicable to construction work. It includes also a corresponding portion of the amounts paid for workmen's compensation or employers' liability insurance covering such employees, and corresponding payments made by the accounting utility to governmental agencies for unemployment insurance and old age benefits for such employees.
- (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 points of construction. It includes amounts paid therefor to others and the cost of transportation service rendered by utility-owned vehicles.
- (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, or preliminary to construction if in fact the proposed construction was carried to completion.
- (7) "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.
- (8) "Injuries and damages" includes expenditures or losses in connection with construction work on account of injuries to persons or damages to property of others. This includes amounts paid for insurance against public liability in connection with construction work.
- (9) "Taxes" includes taxes 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 Unfinished Construction. (See account 1307—Land, Note A.)
- (10) "Interest" includes the net current cost of borrowed funds used for construction purposes and/or a reasonable rate upon the utility's own funds so used. Such interest, if charged, shall be charged each month upon the balance at the beginning of the month in Unfinished Construction. The period for which interest charges may be capitalized 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 capitalized for more than six months thereafter, except upon order of the Commission.

All charges to Unfinished Construction shall be assigned to the appropriate Fixed Capital account and unit in the first

instance when feasible, or allocated to such accounts and units upon some reasonable basis at the completion of each job, except that in accounts 1350 to 1360 inclusive, charges on completed jobs may be accumulated until, but not beyond, the end of each year, and allocated periodically upon some reasonable basis to the accounts and units concerned.

Where a parcel of land, a structure, or any group of equipment is used for purposes which can be classified under more than one of the accounts prescribed for use by the accounting utility, such parcel of land, or structure, or group of equipment shall be classified under that account which represents the major use thereof.

CONTINUING PROPERTY RECORD REQUIRED

Not later than the effective date of this classification each company shall begin the preparation of a Continuing Property Record of operating property used in gas operations, subdivided so as to show separately the operating property at each location, such as each production plant, and the distribution equipment, exclusive of meters, located in each city or town. Customers meters may be shown separately by cities and towns, or may be shown for the utility as a whole; but in the latter event a separate statistical record shall be kept designed to show the number of each class of meters in service in each city or town, and the number held in reserve. Such statistical record shall agree, as to the number of each class of meters, with the corresponding total number carried in the Continuing Property Record, and shall be verified at least once a year. Where a utility does not have the principal franchise in a particular city or town, and/or where it serves less than twenty-five customers in such city or town, it may, with the written consent of the Commission, include the distribution equipment in such city or town with that in some contiguous city or town served by it.

For Class A and Class B utilities the Continuing Property Record shall be arranged in conformity with the Fixed Capital accounts and shall show a description of the property and the cost thereof to the accounting utility, except that for such portion of the property, the cost of which can not be determined without excessive expense, the 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 company number or designation, and such other particulars as may be necessary for complete identification.

Where the price paid by the accounting utility for operating property acquired from a predecessor public utility differs from the cost of such property when first dedicated to the public use, the cost to the accounting utility shall be determined by first establishing the original cost of each unit of such property and thereafter allocating the difference to the various accounts and units of property upon some reasonable basis. Where such allocations are necessary, the accounting utility shall maintain at all times a complete record of the amounts allocated to each account and unit, and the basis of such allocations, so that the original cost of such units of property will be available as a part of the Continuing Property Record.

In the case of large items, such as structures, boiler plant equipment, and production equipment, the 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.

The record shall show all essential details and the related costs of equipment in each production plant.

There shall be no revisions made in the list of units as originally set up in the Continuing Property Record and verified with the Commission's Inventory Engineer without the approval of the Commission, except as a normal result of the disposal of the property.

Each utility shall render reports of changes in the quantities and locations of each type of property unit in such form and detail as may be subsequently directed by the Commission.

For Class B and Class C utilities, the Continuing Property Record may consist merely of a continuing statistical record of all property owned by the utility, in such detail as is necessary to completely identify each unit of property.

In all cases where property included in a particular Fixed Capital account is at more than one location there shall be a segregation of all property at the various locations as well as the further segregation by units of the property at each such location.

Statistical Record of Use Required

When any parcel of land or any structure, or any piece or group of equipment is used for purposes which can be classi-

fied under two or more of the prescribed Fixed Capital accounts, and in the case of all "general structures," and all "miscellaneous structures," the accounting utility shall maintain a continuing statistical record designed to show, for each such piece of property, the relative part thereof devoted to each use. Such statistical record shall be available to the Commission or its representatives at any time.

Work Order System Required

All Class A and Class B utilities shall keep the details supporting entries to the Continuing Property Record by means of a Work Order System. Each completed work order shall indicate the exact location of the work performed; shall state whether the work is new construction, and/or reconstruction, and/or retirement; and shall give a detailed description of the property to be constructed, moved, removed, demolished and/or abandoned. Blanket work orders may be used to record a relatively large number of minor additions of a similar nature. For the purposes of this Classification the term "reconstruction" shall be deemed to refer to any work wherein items previously charged to Fixed Capital accounts are moved, removed, demolished, or abandoned, either in whole or in part, in conjunction with new construction.

Each work order shall be subdivided in such manner as will show separately the details of each unit to be entered in the Continuing Property Record.

On all reconstruction work orders there shall be shown as separate items the cost of removing or demolishing previous construction, and the salvage realized from material removed. These items shall be transferred to account 250—Depreciation Reserve at the time the work order is closed out from Unfinished Construction to the appropriate Fixed Capital accounts.

The entry recording the retirement of property removed, demolished or abandoned shall be made or referred to on the work order under which the removal took place.

Nothing in this classification shall be deemed to prohibit charges being made directly to Fixed Capital accounts for individual items of equipment which are not related to other items of equipment purchased at or about the same time, or to which no installation charges are applicable.

Additional Information

In addition to the detail required in the Continuing Property Record, each Class A utility shall keep the following informa-

tion, either in the Continuing Property Record or in separate statistical records, regarding the units carried in the Continuing Property Record:

- (1) A record of floor areas of all structures included in account 1308.7—General and Miscellaneous Structures and all other structures used for purposes which can be classified under two or more subdivisions of account 1308—Structures, indicating the use to which such floor areas are devoted.
- (2) A record of the number and type of services in each city or town.
- (3) A record of the location of all customers' meters.
- (4) A record of the location of all property included in account 1361—Miscellaneous Property on Customers' Premises.
- (5) A detailed inventory, with costs, of all general equipment included in accounts 1370 to 1379 inclusive, which inventory shall be verified from time to time and balanced with the Continuing Property Record at such times.

RETIREMENT OF FIXED CAPITAL

When any depreciable item of Fixed Capital is retired or abandoned, the book cost of such item shall be credited to the appropriate Fixed Capital account, and charged to account 250—Depreciation Reserve. The cost of removal shall also be charged to account 250—Depreciation Reserve, and the salvage, if any, credited thereto. For exceptions to this instruction see notes to account 250—Depreciation Reserve.

When any non-depreciable item of Fixed Capital having a terminable life is disposed of or abandoned, the book cost of such item shall be credited to the appropriate Fixed Capital account and charged to account 251—Amortization Reserve. The net amount realized at disposition shall be credited to the Amortization Reserve.

When any non-depreciable item of Fixed Capital having an indefinite life is disposed of or abandoned, the book cost of such item shall be credited to the appropriate Fixed Capital account. Any difference between book cost, less any amount set aside for the amortization of such item, and the amount realized at disposition shall be carried to account 271—Earned Surplus.

The book cost of operating property retired shall be the amount at which such property is included in the Fixed Capital accounts including all items set forth in the foregoing instructions. Such costs shall be determined from the utility's records when this can be done, as in the case of structures, 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 and/or small cost of such items, the average book cost of all the items, with due allowance for differences in size or character, shall be used as the book cost of the items retired. The Continuing Property Record shall be used in accounting for retirements.

Items not carried as units in the Continuing Property Record, and group units of small unit value, may be replaced in kind through maintenance accounts, but all replacements where the new property differs in general physical characteristics or efficiency from the property removed, or where its location is exactly recorded in the Continuing Property Record and supporting files, shall be accounted for through the Fixed Capital accounts.

FIXED CAPITAL ACCOUNTS

C 1300. INTANGIBLE PROPERTY

B A 1301. Organization

This account shall include fees paid to state or federal governments for the privilege of incorporation, and expenditures incident to organizing the corporation, partnership, or other enterprise.

Items chargeable to this account will include reasonable fees and expenses of incorporation, mergers, or consolidations, office expenses incident to organizing the company, minute books, corporate seal, and reasonable expenses incident to the authorization, issuance, and initial sale of capital stock, including subsequent additional issues of stock, but not including any expenses incident to the transfer of certificates nor the sale of reacquired treasury stock.

The records supporting the entries to this account shall be kept so that the company can furnish full information as to each item charged hereto.

Note A. This account shall not include any discount on stocks or other securities issued; nor shall it include any costs incident to negotiating loans or selling bonds or other evidences of indebtedness.

Note B. When charges are made to this account subsequent to the effective date of this classification for expenses incurred in mergers, consolidations, unifications, or reorganizations, amounts previously included herein on the books of the various companies shall not be carried over.

Note C. When any part or all of an issue of stock is retired, canceled, withdrawn or exchanged, all amounts included herein which are applicable to such stock, shall be credited hereto.

B A 1302. Franchises and Consents

This account shall include amounts actually paid to the state or any political subdivision thereof 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.

The records supporting the entries to this account shall be kept so that the company can furnish full information as to each item charged hereto.

When any franchise or consent has expired, a credit to this account shall be made representing the amount at which such item (including expenses of acquisition) is 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. Such amounts shall be charged to the appropriate operating expense account.

B A 1303. Miscellaneous Intangible Property

This account shall include the cost of patent rights, licenses, privileges, and other intangible property necessary or valuable to the economical conduct of gas operations and not specifically assignable to any other account.

The records supporting the entries to this account shall be kept so that the company can furnish full information as to each intangible item of property charged hereto.

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.

Note—The reasonable first cost of setting up the records necessary to conform to the requirements of the Continuing Property Record shall, if not charged to Surplus in the first instance, be charged to a subdivision of this account. Such amount shall be amortized by either of the methods provided in paragraphs (a) and (b) below.

- (a) The company may amortize such amount at such rate and over such period of time as it may see fit, provided, however, that the total period of time taken to amortize the entire amount shall not exceed fifteen years. The amount credited annually to this account shall be charged to account 1504—Amortization.
- (b) The percent which such amount bears to the total of the tangible Fixed Capital accounts (accounts 1307 to 1390 inclusive) at January 1, 1939 shall be determined. A corresponding percentage of all retirements of tangible property made subsequent to January 1, 1939 shall be credited to this account and charged to account 251—Amortization Reserve.

Such procedure shall continue until the amount of the first cost of setting up the records has been credited hereto.

The cost of maintaining the Continuing Property Record shall be charged to appropriate Operation and Maintenance accounts.

B A 1304. Fixed Capital Adjustment

This account shall be debited (or credited) with the amount, if any, by which the price paid, under authority granted by an order of this Commission, for operating property acquired after January 1, 1939 from a predecessor public utility differs from the book value thereof.

The portion of such difference reasonably applicable to the property included in each Fixed Capital account on the books of the predecessor public utility, and the percentage which such portion bears to the total book value of such property in each Fixed Capital account, shall be determined as at the time of acquisition. Thereafter, upon retirement of any such property, a corresponding percentage of the amount retired shall be credited (or debited) to this account, and debited (or credited) to account 250—Depreciation Reserve.

The book value of property acquired from a predecessor utility shall be the amount at which it is carried in its fixed capital accounts, less the amount pertaining to said property standing in the Depreciation Reserve. If only a portion of the predecessor utility's property is purchased and the amount pertaining thereto in the Depreciation Reserve is not clearly defined, the accounting utility shall submit its estimate and basis of computation to this Commission for approval before making final entries in this account and account 250—Depreciation Reserve.

C B 1307. LAND

This account shall include the cost, including the amount of mortgages or other liens assumed) of land or interest in land used in gas operations, having a life of more than one year. This includes the first cost of acquiring leaseholds of land, easements, and rights of way, but not rents payable periodically in consideration of rights so obtained.

Items chargeable to this account will include clearing and grading when not a part of construction, first planting of trees, relocating property of others, special assessments on the basis

of benefits for new roads, bridges, pavements, sewers or other public improvements (but not any taxes levied to provide for maintenance of such improvements), and the cost of building sidewalks on public streets abutting the utility's property. Also include reasonable fees and commissions to brokers and agents, conveyancers' and notaries' fees, the cost of examining, registering, clearing and insuring of title and defending it against claims relating to the period prior to purchase, condemnation proceedings including court costs and reasonable counsel fees, payment for consents and abutting damages, surveys at the time of acquisition, the cost of voiding leases to secure possession of land, and taxes accrued prior to date of acquisition and assumed by the utility.

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 gas operations, such improvements 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 subdivision of account 1308—Structures. If the improvements are removed or wrecked without being used in gas operations, the total cost including the cost of removing or wrecking shall be charged, and the salvage value credited, to account 1307—Land.

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.

This account shall be subdivided as shown below:

- B A 1307.1 Production Plant Land
- B A 1307.6 Distribution System Land
- B A 1307.7 General and Miscellaneous Land
- B A 1307.8 Land for Future Development

Note A. When land is acquired in excess of that required for gas operations, or for which there is not a definite plan for its use in gas operations within one year, the cost of such land shall be charged to account 110—Non-Operating Property, except that, upon special order of the Commission, land purchased for future use or development may be charged to account 1307.8—Land for Future Development. If land originally charged to account 110—Non-Operating Property, is later used for gas operations, it shall be charged to

Unfinished Construction or Fixed Capital at its cost when acquired. Interest and taxes (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. Utilities desiring to make charges to account 1307.8—Land for Future Development under the exception in Note A, above, shall make written request to the Commission, filing therewith a statement showing the exact location and general description of the property, the purposes for which acquired and probable date of utilization, the total cost and the main items thereof, and maps showing the property by parcels and projects.
- Note C. 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 deduction account.

C B 1308. STRUCTURES

This account shall include the cost in place of structures used in gas operations. This includes buildings to house, support or safeguard property or persons, with all appurtenant fixtures permanently attached thereto; improvements to land; and other structures not specifically provided for elsewhere.

Items chargeable to this account will include excavations, foundations, retaining walls, brick, steel or concrete stacks and chimneys when set on foundations forming part of the general foundation and steel work of the building, intake and discharge tunnels directly connected to and forming part of the structure, conduits permanently affixed to the building and not to be removed with their contents; coal bunkers, elevators, cranes, hoists etc. permanently affixed to the building; holders for gas, both regular and relief, and the inlet and outlet lines thereto; boilers, furnaces, piping, wiring, fixtures, and machinery for heating, ventilating, plumbing, signalling, lighting, and power supply; permanent or movable partitions, floor covering permanently attached, water supply systems for building or general company purposes, fire protection systems, (but not fire extinguishers), platforms, railings, and gratings, scales when con-

structed as part of the structure, shades, ventilators, screens, awnings and first painting of buildings. Also include reasonable fees and commissions to brokers, agents, architects and others, grading and preparing grounds for buildings, including landscaping of grounds after construction, and damages to abutting property during construction. Improvements to land include sidewalks, pavements and driveways on building grounds but not on public ways abutting, fences and hedges, railroad sidings for general use, and yard lighting systems.

This account shall be subdivided as shown below:

- B A 1308.1 Production Plant Structures
- B A 1308.6 Distribution System Structures
- B A 1308.7 General and Miscellaneous Structures

Note A. Do not include in the account lighting, heating or other fixtures temporarily attached for purposes of display or demonstration.

Note B. The cost of additions and betterments to leased structures, including initial improvements, shall be charged to the appropriate subdivision of this account, and shall be credited in full to this account at the expiration of the utility's tenancy.

Note C. The cost of specially provided foundations not expected to outlast the machinery or apparatus for which they are provided shall be charged to the same account as the cost of the machinery, apparatus or equipment.

C 1315. PRODUCTION EQUIPMENT

B A 1315. Power 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 and other power, except producer gas, at production plants.

Items chargeable to this account will include ash disposal equipment, boilers and accessories, fuel handling equipment, draft systems, foundations specially constructed for and not expected to outlast the apparatus for which provided, firing and fuel feeding systems, furnaces, meters, gauges and recording instruments, piping, platforms and steel work, power equipment, including engines, generators, motors and accessories,

stacks not part of the structure, tanks, water systems, including feed, heating and purification, and equipment accessory to the above items.

This account shall not include boilers or steam pipes used primarily to heat structures.

B A 1317. Coal Gas Generating Equipment

This account shall include the cost installed of equipment used for the generation of coal gas and producer gas.

Items chargeable to this account will include benches and retorts, coke ovens, fuel handling systems used exclusively for supplying this equipment, piping, producer gas equipment, stacks not part of structure, and equipment accessory to above items.

B A 1320. Water Gas Generating Equipment

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

Items chargeable to this account will include blast equipment, carburetors, control and automatic operation apparatus, foundations specially constructed for and not expected to outlast the apparatus for which provided, generators, handling and storage equipment for oil used solely for water gas equipment, piping and valves, platforms and steel work, and equipment accessory to the above items.

B A 1321. Other Gas Generating 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, and oil gas, acetylene gas and from other processes, and for producer gas when not for use in the generation of coal gas.

Items chargeable to this account will include bottling equipment, carbureting equipment, compression equipment, foundations specially constructed for and not expected to outlast the apparatus for which provided, piping and valves, storage equipment, vaporizing equipment, and equipment accessory to the above items.

B A 1328. 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 chargeable to this account will include condensers and dehydrators, coolers, platforms, pumps, spray ponds and other accessory equipment, piping and valves, purifiers, iron oxide or liquid, including first filling, scrubbers, sulphur removal apparatus, and tar extractors and precipitators.

B A 1330. Other Production Equipment

This account shall include the cost installed of all other equipment used in the production of gas, including equipment for the refining and handling of residuals, except where such residual equipment is includible in any of the foregoing accounts.

C 1350. DISTRIBUTION EQUIPMENT

B A 1356. Mains

This account shall include the cost installed of mains and appurtenant equipment.

Items chargeable to this account will include drip lines and pots, excavation, including shoring, bracing, bridging, pumping, backfill, and disposal of excess excavated material, municipal inspection, pavement disturbed, including cutting and replacing pavement, pavement base and sidewalk, permits, pipe coatings, pipe and fittings, pipe laying, pipe supports, protection of street openings, surveys made for main construction, and valves (including manholes or pits) not associated with pumping or regulating equipment.

B A 1358. 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 chargeable to this account will include after-cooling equipment and accessories, boosters, compressors, driving units for items listed herein, excavation, including shoring, bracing, bridging, pumping, backfill, and disposal of excess excavated material, foundations and vaults for items listed herein, governors or regulators for pressure in mains, manholes or pits used to house equipment included in this account, meters located on mains, pavement disturbed, including cutting and replacing pavement, pavement base and sidewalks, piping and fittings for equipment, pressure indicators, and valves associated with pumping or regulating equipment.

B A 1359. Services

This account shall include the cost installed of service pipes, from the point at which the main is tapped to and including the meter bar, when the utility incurs such cost or when the utility assumes full responsibility for the maintenance and replacement of property paid for by the customer. 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.

The utility shall maintain 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.

The utility shall maintain an accurate record of the number and location of active and inactive services, shall periodically examine the circumstances concerning the inactive services and shall retire those where active use cannot be reasonably expected within three years.

Items chargeable to this account will include cocks, installed, curb valves and curb boxes, drips, excavation, including shoring, bracing, bridging, pumping, backfill, and disposal of excess excavated material, house regulators installed, meter bars installed, municipal inspection, pavement disturbed, including cutting and replacing pavement, pavement base, and sidewalks, permits, pipe and fittings, including saddle, tee or other fittings on street mains, pipe coatings, protection of street openings, and regulator vents, installed.

When a customer pays all or a part of the cost of the service and such cost is properly includible in this account, the amount borne or contributed by the customer shall be credited to account 265—Contributions in Aid of Construction.

House regulators in stock shall be carried in account 131—Materials and Supplies.

B A 1360. Customers' Meters and Installations

This account shall include the cost of all meters owned by the utility and used for the purpose of recording information used in billing, whether in actual service on the premises of customers or on property of the utility, and of a reasonable number of meters in excess of the number in service, which are being held for future use.

The cost of initial testing, sealing and badging shall be included in the cost of the meter.

This account shall also include the cost of labor and incidental expenses required for the first setting of each meter.

When any meter is retired this account shall be credited with an amount representing the average installation cost of a meter of similar size, except that the actual cost of installation shall be used in cases where, because of its unusual characteristics, an installation is separately recorded in the Continuing Property Record.

B A 1361. Miscellaneous Property on Customers' Premises

This account shall include the cost installed of equipment owned by the utility and located on customers' premises, which is not elsewhere provided for.

B A 1363. Street Lighting Equipment

This account shall include the cost installed of property used solely for street lighting, under a contract with a municipality.

Items chargeable to this account will include anti-freezers, burners and burner regulators, excavation, including shoring, bracing, bridging, pumping, backfill and disposal of excess excavated material, lamp posts, lamps, lamp services and risers, municipal inspection, pavement disturbed, including cutting and replacing pavement, pavement base, and sidewalks, permits, and the protection of street openings.

C 1370 GENERAL EQUIPMENT

B A 1372.1 Office Equipment

This account shall include the cost installed of furniture and office equipment, whether used in offices or elsewhere, when such equipment is not an integral part of the housing structure.

Items chargeable to this account will include adding machines, addressing machines, billing machines, book cases, card punching and sorting machines, cash registers, chairs and stools, checkwriters, clocks, computing machines, counters, desks, equipment in drafting, rest, dining, recreation and medical rooms, fans, filing cabinets, fire fighting apparatus other than portable extinguishers, movable heaters and lamps, company

kitchen equipment, lockers, pneumatic tube systems, rugs and carpets, movable safes, tables, teletypewriters, time clocks, typewriters, vacuum cleaners, and water coolers.

Note—Small articles of slight value or of short life shall not be charged to this account but to the appropriate operating expense account.

B A 1372.2 Merchandising Equipment

This account shall include the cost installed of all permanent equipment in appliance sales rooms and in permanent merchandising exhibitions, such as demonstration kitchens, devoted to the appliance or jobbing business.

Items chargeable to this account will include cash registers, chairs and stools, counters, desks, fans, filing cabinets, kitchen equipment, pneumatic tube systems, rugs and carpets, movable safes, tables, typewriters, and water coolers.

Note A. Do not include in this account any articles which are held for purposes of sale. Such articles shall be carried until sold in merchandise stock under account 131—Materials and Supplies.

Note B. Small articles of slight value or of short life shall not be charged to this account but to the appropriate operating expense account.

B A 1373 Transportation Equipment

This account shall include the cost of transportation and garage equipment wherever located together with equipment of any nature which is permanently attached or assigned thereto.

Items chargeable to this account will include automobiles and accessories, airplanes, boats, electric vehicles, motor cycles, repair cars, tractors, trailers, trucks, automobile repair shop equipment, automobile battery charging outfits, gasoline and oil pumps and tanks, and greasing tools.

B A 1374 Stores Equipment

This account shall include the cost installed of equipment used in storehouses when such equipment is not an integral part of the housing structure.

Items chargeable to this account will include chain falls, counters, portable cranes, hoists, lockers, scales, shelving, storage bins, time registers and time clocks, hand trucks, and wheelbarrows.

B A 1375 Shop Equipment

This account shall include the cost installed of equipment used in shops when such equipment is not an integral part of the housing structure.

Items chargeable to this account will include anvils, belts and shafting, boilers, cranes and hoists, drill presses, forges, lathes, and specially provided foundations and settings not expected to outlast the apparatus for which provided.

Note—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 131—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 the tools or implements so issued.

B A 1376 Laboratory Equipment

This account shall include the cost installed of laboratory equipment when such equipment is not an integral part of the housing structure.

Items chargeable to this account will include balances and scales, barometers, calorimeters, electric furnaces, gas burning equipment, gauges, glassware, beakers, burrettes, etc., humidity testing apparatus, laboratory hoods, tables and cabinets, mufflers, oil analysis apparatus, piping, specific gravity apparatus, standard bottles, sulphur and ammonia apparatus, tar analysis equipment, indicating and recording thermometers, and any other item of equipment for testing gases, fuels, and residuals.

B A 1377 General Tools and Implements

This account shall include the cost of equipment used in construction or repair work outside of shops.

Items chargeable to this account will include air compressors, including driving unit and vehicle, boilers, cable pulling equipment, concrete mixers and distributors, derricks, engines, forges, furnaces, hoists, ladders, lathes, motors, pile drivers, pipe machines, power saws, pumps, riveters, steam hammers, steam shovels, surveying and leveling equipment, tool carts, and trenching machines.

Note—The cost of small portable tools and implements, such as hammers, saws, wrenches, files, jacks, wire cutters, etc., shall not be charged to this account. Such items shall be carried in account 131—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 the tools or implements so issued.

B A 1378 Communication Equipment

This account shall include the cost installed of telephone, telegraph, and wireless lines and equipment when such equipment is not an integral part of the housing structure.

Items chargeable to this account will include antennae and supports, booths, cables and wires, distributing boards, gongs, hand sets, intercommunication sets, operator's desks, pole and fixtures or underground conduits used wholly for telephone or telegraph wires, radio transmitting and receiving sets, storage batteries, switchboards, telautograph circuit connections, telegraph sets and testing instruments.

B A 1379 Miscellaneous General Equipment

This account shall include the cost installed of miscellaneous general equipment which can not properly be assigned to any other Fixed Capital account and which is not a part of any housing structure.

Note—Include in this account the cost of all portable fire extinguishers wherever located.

C B A 1390. MISCELLANEOUS TANGIBLE PROPERTY

This account shall include the cost to the utility of tangible gas operating property which can not properly be assigned to any other account.

C B A 1395. UNFINISHED CONSTRUCTION

This account shall be the control for all open work orders representing additions to Fixed Capital, until the charges to such work orders have been distributed to the appropriate permanent accounts. Charges on completed work orders may remain in this account only for such period as is required to check and summarize properly the amounts included therein for posting to the foregoing prescribed Fixed Capital accounts.

EARNED SURPLUS ACCOUNTS**271. Earned Surplus**

- 400. Balance Transferred from Income
- 401. Miscellaneous Credits to Surplus
- 411. Dividend Appropriations
- 413. Appropriations to Reserves
- 414. Miscellaneous Debits to Surplus

EARNED SURPLUS ACCOUNTS**(Balance Sheet Account 271)****400. Balance Transferred from Income**

This account shall include the net balance developed in the Income Accounts.

401. Miscellaneous Credits to Surplus

This account shall include all credits affecting the utility's earned surplus or deficit not elsewhere provided for, such as:

- a. Adjustments or cancellation of balance sheet accounts.
- 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, land, other non-depreciable fixed capital, or non-operating property. (The accounting for profit on depreciable fixed capital sold shall be as provided in account 250—Depreciation Reserve).
- d. Credits resulting from differences between the cost of debt securities reacquired and the amount chargeable to account 151—Reacquired Securities.
- e. Unamortized premium on long term debt reacquired.

411. Dividend Appropriations

This account shall include amounts appropriated to pay dividends declared; and also amounts set aside from earned surplus as a reserve for dividends if the company elects, when the declaration of such dividends may reasonably be expected. If dividends for which a reserve has been created are not formally declared for payment at the usual due date, the entries recording the accrual should be reversed.

This account shall be subdivided so as to show separately the dividends on each class of stock. If a dividend is not payable in cash, the payment shall be described in the entry with sufficient particularity to identify it.

Note A. Dividend charges shall be restricted to actually outstanding stock.

Note B. If the corporation does not have an established dividend rate on an issue of capital stock, or if dividends are declared at irregular intervals and/or at varying rates, no reserve shall be created for dividends on such stock prior to the date they are declared.

413. Appropriations to Reserves

This account shall include appropriations of earned surplus to reserves made by action of the Board of Directors and not chargeable to account 1540—Contractual Appropriations of Income.

Note—All other appropriations to reserves or for other purposes shall be charged to account 1538—Miscellaneous Deductions from Income, or other appropriate income account.

414. Miscellaneous Debits to Surplus

This account shall include all debits affecting the utility's earned surplus or deficit not elsewhere provided for, such as:

- a. Adjustments or cancellation of balance sheet accounts.
- b. Losses or deficits which are not property chargeable to operating expenses or income and for which no reserves have been provided.
- c. Losses resulting from the sale of miscellaneous investments, land, and other non-depreciable fixed capital or non-operating property.

- d. Debits resulting from differences between the cost of securities reacquired and the amount chargeable to account 152—Reacquired Securities and not chargeable to account 270—Capital Surplus under the instructions in account 152—Reacquired Securities.
- e. Unamortized discount and expense on long term debt reacquired before maturity.

INCOME ACCOUNTS

UTILITY OPERATING INCOME

- 1501. Operating Revenues—Gas (1600-1610)
- 1502. Operation and Maintenance—Gas (1701-1812)
- 1503. Depreciation—Gas
- 1504. Amortization—Gas
- 1507. Taxes—Gas
- 1508. Operating Rents
 - 1508.1 Rent for lease of Gas Plant
 - 1508.2 Rent from lease of Gas Plant
 - 1508.3 Joint Facility Rents
 - 1508.4 Rent from Gas Appliances
 - 1508.5 Miscellaneous Rents
- Net Gas Operating Income
- 1509. Operating Income—Other Utility Operations
 - Net Utility Operating Income

NON-OPERATING INCOME

- 1522. Revenues from Non-Operating Property
- 1523. Dividend Income
- 1524. Interest Income
- 1525. Income from Special Funds
- 1526. Miscellaneous Non-Operating Revenues
- 1527. Non-Operating Revenue Deductions
- Gross Income

DEDUCTIONS FROM INCOME

- 1530. Interest on Long Term Debt
- 1531. Amortization of Debt Discount and Expense
- 1533. Taxes Assumed on Interest
- 1535. Miscellaneous Interest Deductions
- 1536. Interest Charges to Property—Cr.
- 1537. Miscellaneous Amortization
- 1538. Miscellaneous Deductions from Income
- 1540. Contractual Appropriations of Income
- Income Balance Transferred to Surplus

INCOME ACCOUNTS

UTILITY OPERATING INCOME

1501. Operating Revenues—Gas

Enter here in the income statement the amount included in operating revenue accounts 600 to 610 inclusive for the period covered by the income account.

1502. Operation and Maintenance—Gas

Enter here in the income statement the amount included in operating expense accounts 701 to 812 for the period covered by the income account.

1503. Depreciation

This account shall be charged (crediting account 250—Depreciation Reserve) with an amount equal to the estimated periodic depreciation of the depreciable fixed capital of the utility. The estimate here required shall be made upon a rule designed to effect, by its uniform application during the life of such fixed capital, a charge into operating expenses of the cost of such property, plus cost of dismantling, less its salvage or scrap value upon retirement.

The rates developed for application to each class of property by the depreciation studies required at the inception of this classification may be varied as experience and continuing analysis of the continuing property records indicate to be necessary and desirable. The basis for any change in rate shall be indicated in a note to table 30 of the annual report form.

For purposes of computing depreciation rates the depreciable property shall be divided into at least the following classes: Structures, Production Equipment, Distribution Equipment, General Equipment other than transportation equipment, Transportation Equipment, and Miscellaneous Tangible Property.

Charges to this account shall be based on the average balances of depreciable property carried in the gas fixed capital accounts during the year. Class A utilities shall make monthly charges calculated, or estimated, to produce the proper annual accrual, and shall make necessary adjustments at the close of the year.

There shall also be annually charged (or credited) to this account, and credited (or charged) to account 250—Depreciation Reserve, a sum which shall be computed by the application of the rates used in computing the annual depreciation charge to the average amounts carried during the year in account 1304—Fixed Capital Adjustment for each class of depreciable property.

1504. Amortization

This account shall include amortization charges for non-depreciable fixed capital of the utility having a terminable life. Except as provided in the following paragraph such charges shall be computed so as to distribute the book cost of each item evenly throughout its life, and there shall be concurrent credits to account 251—Amortization Reserve.

Charges may be made to this account in amortization of the first cost of setting up the Continuing Property Record as provided in paragraphs (a) and (b) of the note to account 303—Miscellaneous Intangible Property.

If the utility has elected to use method (b) it shall make annual charges to this account, and corresponding credits to account 251—Amortization Reserve, computed by the application of the overall rate developed by the utility's depreciation study to the first cost of the property record. These charges shall continue until the amount of the first cost of the property record has been credited into the Amortization Reserve.

1507. Taxes—Gas

This account shall include all Federal, State, county, municipal, and other taxing district taxes, which relate to gas property, operations and privileges for the period covered by the income account. (See also account 228—Taxes Accrued.)

Taxes on property leased from others for use in gas 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.

Note A. Taxes on operating property other than that used in connection with gas operations shall be charged to the tax account of the appropriate operating department. Taxes on non-operating property shall be charged to account 1527—Non-Operating Revenue Deductions. Taxes assumed by the company on bond interest shall be charged to account 1533—Taxes As-

sumed on Interest. Taxes on merchandise or jobbing material stocks or sales shall be charged to account 1789.2—Cost of Appliances and Job Work Sold. Licenses, registration fees, and gasoline or other sales taxes borne by the utility, shall be charged to appropriate operating expense accounts.

Note B. Special assessments for street and other improvements, and special benefit taxes, shall be included in fixed capital, 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.

1508. Operating Rents

This account shall comprise the following subaccounts:

1508.1 Rent for Lease of Gas Plant

This account shall include rents payable for property constituting a distinct operating unit leased from others for use in gas operations, when the accounting utility has exclusive possession.

A distinct operating unit as referred to in the preceding paragraph shall include either a complete distribution system, or smaller distinct operating units such as a production plant, or a transmission line.

Note—Taxes payable upon leased property covered herein shall be included in account 1507—Taxes—Gas.

1508.2—Rent from Lease of Gas Plant

This account shall include the rent from gas property constituting a complete and distinct operating unit leased to others for gas operations, when the lessee has exclusive possession. Charge to this account the expenses, including repairs and depreciation, applicable to property the rents from which are included herein, and also taxes on such property and uncollectible rents.

A distinct operating unit as referred to in the preceding paragraph shall include either a complete distribution system, or smaller distinct operating units such as a production plant, or a transmission line.

1508.3 Joint Facility Rents

This account shall include all rents accruing to the accounting utility for joint use by others of equipment included in the fixed capital of the accounting utility.

1508.4 Rent from Lease of Gas Appliances

This account shall include all revenues accruing to the accounting utility for the use by others of gas appliances belonging to the utility. Charge to this account the cost of all labor and material incident to the installation, removal, resetting and maintenance of such rented property.

1508.8 Miscellaneous Rents

This account shall include all rents accruing to the accounting utility for the incidental use by others of property employed in operation not provided for in the three foregoing accounts.

1509. Operating Income—Other Operations

Enter here in the income statement the net results of operations in other utility departments of the utility during the period covered by the income account. This shall include all revenues and expenses corresponding to the foregoing income accounts for gas operations.

NON-OPERATING INCOME

1522. Revenues from Non-Operating Property

This account shall include rent and other revenues derived by the utility from non-operating property applicable to the period covered by the income account.

1523. Dividend Income

This account shall include revenues derived by the accounting utility from dividends on stock of other companies held by it. Accruals of guaranteed dividends may be included in this account if their payment is reasonably assured.

Note A. No dividends on reacquired securities issued or assumed by the accounting utility shall be credited to this account.

Note B. Dividend revenues from securities of other companies held in sinking or other special funds shall not be credited to this account, but to account 1525—Income from Special Funds.

1524. Interest Income

This account shall include interest accrued to the accounting utility on loans, notes and advances, special deposits, and all other interest bearing assets except securities in special funds. Interest accrued shall not be credited to this account unless its payment is reasonably assured; in other cases credits to this account shall be based upon the interest actually collected.

Note—Interest revenues from securities of other companies held in sinking or other special funds shall not be credited to this account, but to account 1525—Income from Special Funds.

1525. Income from Special Funds

This account shall include income (whether interest or dividends), accrued on cash, securities (not issued or assumed by the accounting utility), and other assets held in sinking and other special funds. If it is required that interest on a special fund represented by a reserve 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 1540—Contractual Appropriations of Income, or account 1538—Miscellaneous Deductions from Income, as appropriate.

1526. Miscellaneous Non-Operating Revenues

This account shall 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 company, 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 adjustments shall be made through Earned Surplus.

This account shall also include all other non-operating revenues not elsewhere provided for.

1527. Non-Operating Revenue Deductions

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 included in accounts 1522 to 1526 inclusive.

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 Earned Surplus.

INCOME DEDUCTIONS**1530. Interest on Long Term Debt**

This account shall be charged each month with the interest accrued on unmatured outstanding bonds or other evidences of long term indebtedness issued or assumed. This account shall not include interest on nominally issued or 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 229—Interest Accrued, or account 132—Prepayments.

Note B. This account shall be kept so that the utility will be able to furnish information as to the interest accruals for each class or subdivision of long term debt.

1531. 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 that 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.

Where bonds or other evidences of long term indebtedness have been sold at a premium, the amortization of such premium over the life of the bonds or other evidences of long term indebtedness shall be credited to this account in like manner.

1533. 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, where such taxes are assumed by the utility.

1535. Miscellaneous Interest Deductions

This account shall be charged each month with the interest accrued on all short term debt and other obligations of the utility not chargeable to account 1530—Interest on Long Term Debt, and not specifically provided for elsewhere.

This includes interest on unpaid taxes, on customers' deposits, on partial payments on stock subscriptions, and on other similar obligations.

Note—This account shall be kept so that the utility will be able to furnish information as to the interest accruals for each class of debt for which interest is charged hereto.

1536. Interest Charged to Property—Cr.

This account shall include concurrent credits for amounts charged to Fixed Capital accounts for interest during construction.

1537. Miscellaneous Amortization

This account shall include such amounts as the utility may desire to charge hereto, or may be required by order of the Commission to so charge.

1538. Miscellaneous Deductions from Income

This account shall include deductions from income for purposes not provided for elsewhere and not specifically required under terms of mortgages, contracts, etc. This includes gifts for purposes not related to the utility operations of the accounting utility, penalties or fines for violation of law, stock transfer taxes assumed by the utility for its stockholders, and expenses of issuing obligations other than long term debt, except such sums as are properly chargeable to account 1301—Organization.

Note—Contributions, subscriptions, and other donations claimed to be reasonably related to the gas operations of the utility may be charged to such operating expense account as is deemed appropriate. A detailed record of all such contributions, subscriptions, and donations, together with the account or accounts to which they have been charged, shall be maintained.

1540. Contractual Appropriations of Income

This account shall include appropriations of income when specifically required under the terms of 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 1538—Miscellaneous Deductions from Income.

OPERATING REVENUE ACCOUNTS

Gas Service Revenues:

- 1600. Residential Sales
- 1601. Commercial and Industrial Sales
- 1604. Sales to Public Authorities
- 1605. Sales to Gas Utilities
- 1607. Interdepartmental sales
- 1608. Other Sales

Other Gas Revenues:

- 1609. Customers' Forfeited Discounts and Penalties
- 1610. Miscellaneous Gas Revenues

OPERATING REVENUE ACCOUNTS

General Instructions

The records supporting entries to accounts 1600 to 1608 inclusive shall be kept so that the number of thousand cubic feet of gas sold monthly under each rate schedule, and under each special contract coming within the provisions of P. L. Chap. 242, sec. 19, 20A and 20B, the number of customers' meters through which that gas is sold, and the revenue therefrom, can be determined readily for each city and town. Where there is a minimum charge, the records shall indicate further the amount billed as minimum charges and the gas consumed under such billings; where there are penalties imposed for slow payment, or discounts allowed from prompt payment, the records shall indicate the amount of penalties imposed upon, or discounts forfeited by, customers under each rate; and where the basis of the charge for service is something other than metered gas, the records shall contain full information concerning the basis of billing.

Where seasonal or short term rates are in effect, they shall be considered as separate rates, and the records shall be kept accordingly. Where there are no separate rates for seasonal or short term service, but a penalty or surcharge is imposed for

such service, the records shall be kept so as to show the amount of penalties or surcharges so charged under each rate, and for each city and town. Where a disconnection or similar charge is imposed for seasonal or short term service, such charge shall likewise be accounted for as a seasonal penalty or surcharge.

The above requirements for keeping revenue statistics by towns and cities shall apply to towns or cities having a population of 2500 or more, or in which the utility serves 500 or more customers; other towns or cities may be grouped within the operating divisions maintained by the utility.

A table showing the gross revenue from each rate in effect during the year will be required in the annual report to the Commission.

In the following revenue accounts it is the intention that the revenue earned under each rate shall be credited to the account indicative of the use to which the revenue applies.

GAS SERVICE REVENUES

1600. Residential Sales

This account shall include all revenues from the sale of gas supplied under schedules of rates for residential or domestic purposes.

1601. Commercial and Industrial Sales

This account shall include all revenues from the sale of gas supplied under schedules of rates for commercial and industrial purposes, and under special contracts for such purposes.

1604. Sales to Public Authorities

This account shall include all revenues from sales of gas supplied to municipalities, or other subdivisions or agencies of state or federal governments, except when supplied for redistribution.

Revenue from gas supplied for purposes of public street lighting shall be recorded in a subdivision of this account.

1605. Sales to Gas Utilities

This account shall include all revenues from sales of gas to other gas utilities, or to public authorities, for redistribution.

Note A.—When the contract is a reciprocal one, i. e., when either party thereto may take gas from the other, the gross amount receivable for gas supplied to the other party shall be included herein in each accounting period, and the gross amount payable for gas received from the other party shall be charged to account 1738—Purchased Gas.

Note B.—The records supporting the entries to this account shall show separately for each contract the point of delivery, the basis of the charge, the maximum demand each month where determination of demand is required by contract, and in all other cases when feasible, the amount of gas supplied monthly, and the total monthly charge. When gas is delivered to a utility at more than one point, like detail shall be shown for each point of delivery.

Note C.—Revenues from gas supplied to other utilities for use by them shall be credited to the appropriate revenue account unless supplied under the same contract as, and not readily separable from, revenues included in this account.

1607. Interdepartmental Sales

This account shall include the total amounts charged to other departments of the utility for gas supplied at tariff or other specified rates. The records shall show the basis of the charges and rates.

1608. Other Sales

This account shall include revenue from gas supplied which is not properly included in the preceding accounts.

OTHER GAS REVENUES

1609. Customers' Forfeited Discounts and Penalties

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, as well as the amounts of penalties imposed by the utility on its customers because of failure to pay bills within a specified time.

1610. Miscellaneous Gas Revenues

This account shall include revenues incident to gas operations not specifically includible elsewhere, such as fees and charges for changing, connecting and disconnecting services, profit on the sale of materials and supplies not ordinarily purchased for resale, commissions on the sale or distribution of others' gas (sold under rates filed by such others), management or supervision fees, and the sale of steam, except when the utility furnishes steam heating service.

OPERATION AND MAINTENANCE ACCOUNTS

PRODUCTION

- C 1700. Superintendence and Operating Labor
 - B A 1701. Superintendence
 - B A 1702. Boiler and Other Power Labor
 - B A 1703. Gas Generation Labor
 - A 1705. Purification Labor
 - B A 1707. Other Production Labor
- C 1710. Fuel
 - B A 1711. Boiler Fuel
 - B A 1712. Coal Gas Fuel
 - B A 1713. Coal Carbonized
 - B A 1715. Water Gas Generator Fuel
- C 1716. Production Materials and Expense
 - B A 1717. Oil and Enriching Materials
 - A 1718. Liquefied Petroleum Gas
 - A 1719. Oil for Oil Gas
 - B A 1720. Raw Materials for Other Gas Processes
 - B A 1722. Other Production Supplies and Expense
- C B 1723. Maintenance of Production Plant
 - A 1724. Maintenance of Structures
 - A 1725. Maintenance of Power Equipment
 - A 1726. Maintenance of Generating Equipment
 - A 1727. Maintenance of Reforming, Purification and Miscellaneous Equipment
 - B A 1730. Steam Purchased or Transferred
 - B A 1735. Production Rents
 - B A 1736. Residuals Produced—Cr.
 - B A 1737. Residuals Expense
- C B A 1738. Purchased Gas
- C B A 1742. Production Expense Transferred—Cr.

DISTRIBUTION

- C 1756. Distribution Operation
 - B A 1756. Superintendence
 - B A 1761. Operation of Distribution Lines
 - B A 1762.1 Meter Operating Labor and Expense
 - B A 1762.2 Other Expense on Customers' Premises
- C 1765. Distribution Maintenance
 - B A 1765. Maintenance of Structures
 - B A 1768. Maintenance of Distribution Lines
 - B A 1771. Maintenance of Services
 - B A 1772. Maintenance of Customers' Meters

CUSTOMERS' ACCOUNTING AND COLLECTING

- C 1779. Customers' Accounting and Collecting Expense
 - B A 1780. Customers' Orders, Meter Reading and Collecting
 - B A 1781. Customers' Billing and Accounting
- C B A 1783. Uncollectible Accounts—Gas
- C B A 1784. Customers' Accounting and Collecting Rents

SALES AND NEW BUSINESS

- C 1785. Sales and New Business Expense
 - B A 1786. Salaries and Commissions
 - B A 1787. Demonstrations, Advertising and Other Expense
 - B A 1788. Sales and New Business Rents
- C B A 1789. Appliance and Job Work Sales—Net
 - B A 1789.1 Appliance and Job Work Sales
 - B A 1789.2 Cost of Appliances and Job Work Sold
 - B A 1789.24 Uncollectible Appliance and Jobbing Bills

ADMINISTRATIVE AND GENERAL

- C 1790. General Office Salaries and Expense
 - B A 1791. General Office Salaries
 - B A 1793. General Office Supplies and Expense
 - B A 1794. Supervision Fees and Special Services
- C B A 1797. Regulatory Commission Expense
 - B A 1798. Insurance
 - B A 1799. Injuries and Damages
 - B A 1800. Employees Welfare and Relief
- C B A 1801. Miscellaneous General Expense
- C B A 1802. Maintenance of General Property
- C B A 1803. General Rents
- C B A 1805. Franchise Requirements
- C B A 1806. Duplicate Miscellaneous Charges—Cr.
- C B A 1807. Miscellaneous Expense Transferred
 - B A 1810. Stores, Shop and Laboratory Expense
 - B A 1811. Transportation Expense
 - B A 1812. Inventory Adjustments

OPERATION AND MAINTENANCE ACCOUNTS

General Instructions

Gas utilities engaged in the production of gas by more than one type of process (i. e., coal gas, water gas, petroleum gas) shall segregate the expense of each process in appropriate sub-accounts in those production expense accounts to which expenses of both processes are chargeable.

Salvage and insurance recovered in connection with maintenance work shall be credited to the appropriate maintenance accounts. If the amount of insurance received is relatively large and is received before the repairs are completed, and would create a disproportionate credit if then made, it may be credited to a suspense account, to which the cost of repairs shall be charged to the extent covered by the insurance. The cost of repairing salvaged materials shall be charged to the account to which the work is charged.

PRODUCTION

C 1700. Superintendence and Operating Labor

This account shall include items provided for in accounts 1701 to 1707, inclusive.

B A 1701. Superintendence

This account shall include the cost of superintendence and direction of the operation and maintenance of the production plant.

B A 1702. Boiler and Other Power Labor

This account shall include the pay of employees in boiler rooms and elsewhere engaged in making steam and producing power for use in the manufacture of gas.

This shall include labor utilized in blowing flues, cleaning boilers, handling coal and ashes within the plant, pulverizing coal, and testing steam meters, gauges and other boiler plant instruments.

B A 1703. Gas Generation Labor

This account shall include the pay of employees engaged in

the generation of gas. If more than one type of gas is produced by the accounting utility, charges to this account shall be segregated in sub-accounts as required by general instruction above.

Items chargeable to this account will include labor used in charging, drawing and cleaning retorts, ovens, producers and generators, handling fuel and ashes within the works, quenching coke, and operating air and gas boosters.

Class B utilities should not charge to this account, but to account 1707—Other Production Labor, items provided for in account 1705—Purification Labor.

A 1705. Purification Labor

This account shall include the pay of employees engaged in the operation of purification equipment and apparatus used for conditioning manufactured gas.

Items chargeable to this account will include, emptying, cleaning and refilling purifier boxes, shavings scrubbers, and condensers, oiling dip sheets, and revivifying and removing oxide.

B A 1707. Other Production Labor

This account shall include the pay of employees engaged in the production of gas or in operating the gas works, which is not chargeable to the foregoing accounts.

Class B utilities will charge to this account items provided for in account 1705.

C 1710. Fuel

This account shall include items provided for in accounts 1711 to 1714 inclusive.

B A 1711. Boiler Fuel

This account shall include the cost, delivered at the 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.

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

B A 1712. Coal Gas Fuel

This account shall include the cost, delivered at the works,

of fuel used under retorts or coke ovens, but not the cost of fuel used for making steam, or coal carbonized in retorts or coke ovens. It shall also include producer gas used in making coal gas.

If coke produced by the utility is used under the boilers, the accounting shall be as outlined in account 1736—Residuals Produced—Cr.

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

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

B A 1713. Coal Carbonized

This account shall include the cost delivered at the works of coal used in retorts or in coke ovens for making coal gas. Records shall be kept to show the type, quantity and cost of coal used.

B A 1715. Water Gas Generator Fuel

This account shall include the cost delivered at the 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.

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

C 1716. Production Materials and Expense

This account shall include the items provided for in accounts 1717 to 1721 inclusive, 1730, 1735, 1736 and 1737.

B A 1717. Oil and Enriching Materials

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

A 1718. Liquefied Petroleum Gas

This account shall include the cost delivered at the works of liquefied petroleum gas, such as propane, butane, or gasoline, used in making gas. Records shall be kept of the type, quantity and cost of liquefied petroleum gas used.

A 1719. Oil for Oil Gas

This account shall include the cost delivered at the works of oil used in making oil gas. Records shall be kept of the type, quantity and cost of oil used.

B A 1720. Raw Materials For Other Gas Processes

This account shall include the cost delivered at the works of raw materials and fuels used in the production of any kind of gas not provided for in the accounts above. Records shall be kept to show the type, quantity and cost of the raw materials used.

B A 1722. Other Production Supplies and Expense

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

Items chargeable to this account are building service, lubricants, packing, purchased power, purification materials, hand tools (see notes to accounts 1375 and 1377), waste and water.

C B 1723. Maintenance of Production Plant

This account shall include the items provided for in accounts 1724 to 1727 inclusive.

A 1724. Maintenance of Structures

This account shall include the labor, materials cost and other expense of maintenance of production plant property, the book cost of which is included in account 1308.1—Production Plant Structures.

A 1725. Maintenance of Power Equipment

This account shall include the labor, materials cost, and other expense incurred in the maintenance of boiler plant and other power equipment, utilized for the production of manufactured gas.

A 1726. Maintenance of Generating Equipment

This account shall include the labor, materials cost, and other expense incurred in the maintenance of the producer gas and and generating equipment utilized in the production of manufactured gas.

A 1727. Maintenance of Reforming, Purification, and Miscellaneous Equipment

This account shall include the labor, materials cost, and other expense incurred in the maintenance of all equipment used in the production of manufactured gas not covered by the three preceding accounts.

B A 1730. Steam Purchased or Transferred

This account shall include the cost of steam purchased from others, or transferred from another department of the utility, for use in gas generators or in driving units in manufactured gas production plants.

The account shall show separately for each source the point of delivery, the quantity, price and total cost.

B A 1735. Production Rents

This account shall include incidental rents for property of others used, occupied or operated in connection with the production of manufactured gas. Taxes paid on such property shall not be charged to this account but to account 1507—Taxes—Gas.

See account 1508.1—Rent for Lease of Gas Plant, for accounting for rent paid for lease of gas property constituting a distinct operating unit.

If the leased property is used by more than one department of the utility, the rental shall be apportioned on an equitable basis to the departments using it. If a portion of it is subleased the revenue therefrom shall be included in account 1508.5—Miscellaneous Rents.

B A 1736. Residuals Produced—Cr.

This account shall be credited and account 131—Materials and Supplies, debited during each accounting period, with the estimated value of residuals and other by-products (except ashes) obtained in connection with the production of manufactured gas, whether intended for sale or for use in operations.

If the net amount realized from the sale is greater or less than the amount at which they were credited hereto, an adjusting entry shall be made, crediting or debiting this account and account 131—Materials and Supplies, as is appropriate.

Records shall be kept to show for each type of residual or by-product, the quantity produced and the amount at which

charged to account 131—Materials and Supplies; the quantity sold and the amount received therefor; and the quantity and value of those used.

B A 1737. Residuals Expense

This account shall include all expense incurred in handling preparing and marketing residuals and by-products produced in manufactured gas production, including uncollectible residual accounts.

This account shall be kept so as to show the amount of expense applicable to each type of residual or by-product.

C B A 1738. Purchased Gas

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.

When the contract is a reciprocal one, that is, 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.

The records supporting entries to this account shall be so kept as to show for each contract the point of delivery, the quantity delivered monthly, the basis of charges and the monthly charge.

C B A 1742. Production Expense Transferred—Cr.

This account shall include concurrent credits for charges representing production expenses of gas supplied to another coordinate department.

The basis of credits to this account shall be clearly indicated in supporting records.

DISTRIBUTION**C 1756. Distribution Operation**

This account shall include the items provided for in accounts 1756 to 1762 inclusive.

B A 1756. Superintendence

This account shall include amounts paid for superintendence of the operation and maintenance of the distribution system, including clerical help, stationery and printing, the cost of making maps and records, and supplies and expenses incidental thereto.

B A 1761. Operation of Distribution Lines

This account shall include the cost, including labor, of operating the distribution system, except such items as are provided for in account 1762.1—Meter Operating Labor and Expense, and in account 1762.2—Other Expense on Customers' Premises. Supporting records shall show details of rents paid for leased distribution property and joint use.

B A 1762.1 Meter Operating Labor and Expense

This account shall include the salaries and expenses of superintendents and clerks in the meter department, that portion of the salaries of the engineering staff chargeable to that department, and stationery, postage, telephone services, light, fuel, and other supplies for the operation of the meter department not provided for elsewhere.

It shall also include the cost of removing, resetting and changing customers' meters on or off customers' premises, the cost of testing and inspecting meters on customers' premises or in meter shops, and supplies for testing purposes.

B A 1762.2 Other Expense on Customers' Premises

This account shall include the cost of labor employed, materials used, and expense incurred in work on customers' premises for which a charge is not made, and which is not includible in account 1762.1—Meter Operating Labor and Expense, account 1771—Maintenance of Services, account 1772—Maintenance of Customers' Meters, or account 1789.2—Cost of Appliances and Job Work Sold.

This will include costs of improving the character of service, inspecting, testing and adjusting customers' equipment, including adjustments to meet changes in characteristics of gas supplied, whether required by regulatory authority or at customers' request, inspecting premises and investigating complaints.

Damage to customers' equipment by employees of the utility, whether incidental to the work or the result of negligence, shall be charged to the job in which employee was engaged.

C 1765. Distribution Maintenance

This account shall include the items provided for in accounts 1765 to 1771 inclusive.

B A 1765. Maintenance of Structures

This account shall include the cost of maintaining distribution buildings, fixtures, and grounds. The principal items to be included in this account are repairs to buildings and all permanent fixtures therein and appurtenant thereto, and the cost of maintaining grounds, streets, drives, sidewalks, vaults, pits, sheds, and permanent foundations of apparatus, which are included as a part of the cost of the structure in which located.

B A 1768. Maintenance of Distribution Lines

This account shall include the cost of labor and materials utilized in the maintenance of mains, pumping and regulating equipment, and other equipment, the cost of which is recorded in account 1356—Mains, and account 1358—Pumping and Regulating Equipment.

B A 1771. Maintenance of Services

This account shall include the cost of labor and materials utilized in the maintenance of services and equipment, the cost of which is included in account 1359—Services.

B A 1772. Maintenance of Customers' Meters

This account shall include the cost of labor and materials utilized in the maintenance of customers' meters, including cleaning, painting and replacement of parts.

CUSTOMERS' ACCOUNTING AND COLLECTING**C 1779. Customers' Accounting and Collecting Expense**

This account shall include the items provided for in accounts 1780 and 1781.

B A 1780. Customers' Orders, Meter Reading and Collecting

This account shall include charges for work on customers' applications, contracts, orders, inquiries, meter reading and collecting, including supervision and the salaries of cashiers and collectors, commissions paid to outside collecting agencies, and supplies used and expenses incurred in connection therewith.

B A 1781. Customers' Billing and Accounting

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

C B A 1783. Uncollectible Accounts

To this account shall be charged, with corresponding credit to account 254—Uncollectible Accounts Reserve, such amounts as are deemed necessary to provide for the losses which it is estimated will be incurred by reason of accounts receivable for sales of gas becoming uncollectible.

If a reserve is not utilized to provide for such uncollectible receivables, this account shall be charged directly with the losses as they are charged off.

C B A 1784. Customers' Accounting and Collecting Rents

This account shall include rents paid for the property of others used in connection with customers' accounting and collecting.

SALES AND NEW BUSINESS**C 1785. Sales and New Business Expense**

This account shall include items provided for in accounts 1786 to 1788, inclusive.

B A 1786. Salaries and Commissions

This account shall include the amounts paid persons engaged in the supervision and direction of the activities of sales and new business departments, the pay of employees engaged in promoting the sale of gas, either through the sale of appliances or otherwise, and of clerks and stenographers engaged in the work of such departments, and the cost of supplies used and expenses incurred in connection therewith.

B A 1787. Demonstration, Advertising, and Other New Business Expense

This account shall include the cost of labor and materials used and expenses incurred in demonstrating the proper use of appliances and other equipment, in advertising for the pur-

pose of promoting the sale of gas, either through the sale of appliances and equipment or otherwise, and other costs incurred in promoting new business not elsewhere provided for.

B A 1788. Sales and New Business Rents

This account shall include rents paid for property of others used in connection with sales and new business operations.

In case a portion of a building owned by the utility is used for such operations, there shall be charged hereto as rent a fair rental value for the space used by the sales and new business departments. Concurrent credit shall be made to account 1806—Duplicate Miscellaneous Charges—Cr.

C 1789. Appliance and Job Work Sales—Net**B A 1789.1 Appliance and Job Work Sales**

To this account shall be credited the net sales price of all gas merchandise sold by the utility, its employees and agents and the net amount of job work billed to customers.

Class A and Class B utilities shall keep records supporting entries to this account in such manner that the gross amount of sales, discounts and allowances, and merchandise returns, will be available.

Installation charges made in connection with appliance sales shall be recorded with that group, and installation charges not connected with appliance sales shall be recorded as job work.

B A 1789.2 Cost of Appliances and Job Work Sold

This account shall include all charges for the cost of appliances sold, including the amount paid for the appliances, delivery and installation expense, storeroom expense, servicing of appliances sold under a guaranty, the cost of reconditioning returned merchandise, and all other expense in connection therewith.

This account shall also include the cost of all labor and material used in job work which is billed to customers, and the transportation and sundry expenses incurred in connection with such job work.

This account shall also be charged with amounts paid as finance charges for discounting deferred contract notes, and taxes on stocks of and sales of merchandise.

Class A and Class B utilities shall keep records supporting entries to this account so that information as to each of the items listed above will be available.

B A 1789.24 Uncollectible Appliance and Jobbing Bills

This account shall be charged, with corresponding credit to account 254—Uncollectible Accounts Reserve, with such amounts as are deemed necessary to provide for the losses which it is estimated will be incurred by reason of accounts receivable for appliance and jobbing sales becoming uncollectible.

If the utility does not provide for uncollectible receivables through a reserve this account shall be charged directly with such losses as they are charged off.

ADMINISTRATIVE AND GENERAL

C 1790. General Office Salaries and Expenses

This account shall include the items provided for in accounts 1791, 1793, and 1794.

B A 1791. General Office Salaries

This account shall include the salaries (including bonuses or other consideration for salaries) of general officers and all other employees whose jurisdiction extends to the entire system, and whose services can not be allocated to the several departments.

It shall also include the salaries of auditors, bookkeepers, cashiers, paymasters, stenographers, janitors, porters, messengers, and other clerks and employees whose time is devoted to the work of the general office.

B A 1793. General Office Supplies and Expense

This account shall include the expenses incurred for the benefit of the utility in its gas operations by officers and employees whose salaries are included in account 1791—General Office Salaries, and which are not chargeable to a particular function of the utility.

It shall also include the cost of office supplies, stationery, telegram and telephone service, rental of office equipment, including typewriters and statistical machines, and all other miscellaneous expense of general offices and general office employees.

This account may be subdivided in accordance with the utility's administrative organizations.

The expenses of departmental employees should be charged to the appropriate departmental accounts.

B A 1794. Supervision Fees and 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 gas department for general supervision and management services and expenses, and for legal and other special services and expenses.

C B A 1797. Regulatory Commission Expense

This account shall include all reasonable expenses incurred by the accounting utility in its transactions with governmental regulatory commissions, other than those included in account 1301—Organization, 1302—Franchises and Consents, and 140—Unamortized Debt Discount and Expense. This covers reasonable fees, retainers, and expenses of counsel, solicitors, attorneys, clerks, attendants, witnesses, and others whose services are secured especially for the defense or prosecution of those petitions presented to a regulatory commission, that affect the accounting utility; the pay, travelling, and other expenses of those specially employed or assigned to ascertain the value of property owned or used by the accounting utility; the cost of stationery and printing, and engineering supplies consumed; and other necessary expenses of a similar character.

This account does not include expenses for improvement of service, for additional inspection, etc., which are made necessary by the rules, regulations, or orders of a regulatory commission. Such expenses should be charged to the appropriate operating expense accounts.

B A 1798. Insurance

This account shall include premiums paid for fire, fidelity, boiler, casualty, burglary, lightning, and all other insurance to protect the utility against damage to property owned or leased by it; also charges by which self-insurance is provided.

This account shall also include premiums paid for employers' liability, workmen's compensation, public liability, property damage, and all other insurance to protect the utility against liability for injuries to persons, or damage to the property of others; also charges by which self-insurance is provided.

This account shall be credited with dividends paid, or surplus returned to the accounting utility in any other form, by mutual insurance companies.

Amounts which would normally be charged or credited to this account on account of insurance of transportation equipment may be charged or credited directly to account 1811—Transportation Expenses, if the accounting utility so elected, but the election made must be consistently followed.

B A 1799. Injuries and Damages

This account shall include losses not covered by insurance, on account of injuries to or deaths of employees or others, which occur in connection with gas operations, and payments and expenses on account of damage to the property of others in connection with such operations, whether by fire, flood, storm, or other cause.

This account shall also include the pay and expenses of officers and employees regularly engaged in or specifically assigned to handle claims for injuries to employees or others, damages to property of others, etc., and payments to attorneys, investigators and adjusters, court costs, and other expenses in connection with such injuries and damages.

Reimbursements from others for expenses charged hereto shall be credited to this account.

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 1800—Employees' Welfare and Relief.

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.

The utility may distribute the cost of liability insurance, or losses, to the appropriate operating or fixed capital accounts in connection with which the losses were incurred.

B A 1800. Employees' Welfare and Relief

This account shall also include pensions paid to retired employees or to their heirs, or payments made to a pension trust fund for such employees under a contractual obligation; the cost of life, unemployment, and other insurance underwritten or paid

by the accounting utility, on employees for the benefit of such employees or their beneficiaries or heirs; and the salaries and expenses of those employees specially assigned to handle details in connection with the above items.

It shall also include all salaries, supplies, and expenses incurred in connection with accident prevention, relief, welfare, and recreational work for the benefit of employees. Credit this account with contributions received for such purposes.

C B A 1801. Miscellaneous General Expense

This account shall include such items of expense applicable to the gas department as the cost of publishing and distributing annual reports to stockholders, advertising notice of stockholders' meetings, dividend and other corporate and financial notices of a general character, association dues, contributions for conventions and meetings of the industry, cost of research and experimental work conducted for the benefit of the gas department or the industry or for the improvement of gas service (except such amounts as may be properly chargeable to other accounts); fees of transfer agents, registrars of stock, fiscal agents and directors, and any other miscellaneous expenses connected with the general management not otherwise provided for.

Class C utilities shall also charge to this account the items provided for in accounts 1798, 1799, 1800, 1810, 1811, and 1812, if they do not elect to keep those accounts.

C B A 1802. Maintenance of General Property

This account shall include the cost of maintaining general office buildings or other structures used for general purposes, office furniture and general equipment used by the gas department whether located in the general office or in a divisional office, communication equipment for general use, the book cost of which is included in account 1378—Communication Equipment, and miscellaneous property, the maintenance of which is not provided for elsewhere, including miscellaneous general equipment carried in account 1379—Miscellaneous General Equipment, and tools and work equipment carried in account 1377—General Tools and Implements.

C B A 1803. General Rents

This account shall include rents paid for property of others used in connection with the gas operations generally, and not specifically assignable to any other account.

C B A 1805. Franchise Requirements

This account shall include annual or more frequent payments to municipal or other governmental authorities, 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.

The company may charge to this account at regular tariff rates, instead of cost, gas furnished without charge under provisions of franchises.

When no direct outlay is involved, concurrent credit for such charges shall be made to account 1806—Duplicate Miscellaneous Charges—Cr.

Franchise taxes shall be excluded from this account. (See account 1507—Taxes—Gas).

C B A 1806. Duplicate Miscellaneous Charges—Cr.

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 which are made to operating expense accounts for gas used by, or services rendered to, the gas department for which there is no direct money outlay.

It shall also include concurrent credits for charges made to account 1788—Sales and New Business Rents, for sums charged as rent for property of the utility used for sales and new business operations.

C B A 1807. Miscellaneous Expenses Transferred—Cr.

This account shall include such portion of operating expenses (except steam and other production costs) borne in the first instance by the gas department, as is properly chargeable to another coordinate department, such as an electric department. This is not intended to prohibit the direct apportionment of expenses between departments, and so far as practicable, that shall be done.

B A 1810. Stores Expenses

This account shall include all salaries and expenses in connection with storerooms, including the cost of sending materials and supplies from general storerooms to branch storerooms, and the collection of scrap material.

The utility may distribute storeroom expense to the appropriate operating or fixed capital accounts in connection with material charged to such accounts.

B A 1811. Transportation Expenses

This account shall include the salaries and wages of chauffeurs, garagemen, and other employees engaged in operating garages and vehicles, the cost of gasoline, oil, tires, repair parts and the materials used for operating and maintaining garage and transportation equipment, and supplies and expenses in connection therewith.

The utility may distribute transportation expense to the appropriate operating or fixed capital accounts in accordance with the transportation provided for such operations or construction.

B A 1812. Inventory Adjustments

At least once a year an inventory of materials and supplies shall be taken and the difference in respect to any particular class of materials and supplies between the ledger and inventory balances shall be debited or credited to this account, unless assignable to a specific account.

APPENDIX

**LIST OF UNITS TO BE CARRIED IN
CONTINUING PROPERTY RECORD**

UNITS TO BE CARRIED IN CONTINUING PROPERTY RECORD

The following is a list of units to be carried in each of the Fixed Capital Accounts:

- 1301. Organization
 - Each organization
 - Each issue of securities
- 1302. Franchises and Consents
 - Each franchise or consent
- 1305. Miscellaneous Intangible Property
 - Each item of property
- 1307. Land
 - Land in fee
 - Each site
 - Purchase price
 - Cost of acquisition
 - Improvements; clearing, etc.
 - Special assessments
 - Rights of way
 - Each line, in each town
 - Purchase price
 - Cost of acquisition
 - Improvements
- 1308. Structures
 - Each structure
 - Substructure
 - Super-structure
 - Heating and plumbing
 - Lighting and power
 - Yard improvements
 - Major items of equipment, such as:
 - Cranes
 - Elevators
 - Fire protection system
 - Ventilating system
- 1315. Power Plant Equipment
 - Each plant
 - Each identifiable item of material value not an integral part of another unit
- 1317. Coal Gas Generating Equipment
 - Each plant
 - Each identifiable item of material value not an integral part of another unit
- 1320. Water Gas Generating Equipment
 - Each plant
 - Each identifiable item of material value not an integral part of another unit

- 1321. Other Gas Generating Equipment
 - Each plant
 - Each identifiable item of material value not an integral part of another unit
- 1328. Purification Equipment
 - Each plant
 - Each identifiable item of material value not an integral part of another unit
- 1330. Other Production Equipment
 - Each plant
 - Each identifiable item of material value not an integral part of another unit
- 1356. Mains
 - Each size and kind of pipe
 - Each size of valve
 - Each size of valve box
 - Each drip pot
 - Each tunnel or manhole
 - Each other identifiable item of material value not an integral part of another unit
- 1358. Pumping and Regulating Equipment
 - Each station
 - Each structure or excavation
 - Each after-cooler
 - Each booster
 - Each compressor
 - Each main meter
 - Each governor
 - Each pressure indicator
- 1359. Services
 - Each stub
 - Each complete service
 - Each house regulator
- 1360. Customers Meters and Installation
 - Each size and type of meters
 - Each group of installation
 - Each special installation
- 1361. Miscellaneous Property on Customers' Premises
 - Each class of equipment
 - Each special installation
- 1365. Street Lighting Equipment
 - Each lamp
 - Each standard
 - Each regulator
 - Each service
- 1372.1 Office Equipment
 - Equipment in each structure
- 1372.2 Merchandising Equipment
 - Equipment in each structure

- 1375. Transportation Equipment
 - Each vehicle complete with permanent equipment
 - Each major item of garage equipment
 - Miscellaneous garage tools and equipment
- 1374. Stores Equipment
 - Equipment in each store house
- 1375. Shop Equipment
 - Equipment in each shop
- 1376. Laboratory Equipment
 - Equipment in each laboratory
- 1377. General Tools and Implements
 - Equipment at each location
- 1378. Communication Equipment
 - Equipment at each location
 - Each communication line
- 1379. Miscellaneous General Equipment
 - Each class of equipment