

1914

Classification of investment in pipelines, pipe line operating revenues and pipe line operating expenses of carriers by pipe lines, prescribed by the Interstate Commerce Commission in accordance with section 20 of the Act to regulate commerce. Issue of 1915, effective on January 1, 1915

United States. Interstate Commerce Commission

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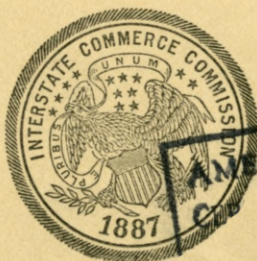
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CLASSIFICATION
OF
INVESTMENT IN PIPE LINES,
PIPE LINE OPERATING REVENUES AND
PIPE LINE OPERATING EXPENSES
OF
CARRIERS BY PIPE LINES

PRESCRIBED BY THE
INTERSTATE COMMERCE COMMISSION

IN ACCORDANCE WITH SECTION 20 OF THE
ACT TO REGULATE COMMERCE

ISSUE OF 1915
Effective on January 1, 1915



WASHINGTON
GOVERNMENT PRINTING OFFICE
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ORDER.

At a General Session of the INTERSTATE COMMERCE COMMISSION, held at its office in Washington, D. C., on the 22d day of December, A. D. 1914.

The subject of a Uniform System of Accounts to be prescribed for and kept by carriers being under consideration, the following order was entered:

It is ordered, That the Classification of Investment in Pipe Lines, Pipe Line Operating Revenues and Pipe Line Operating Expenses, and the text pertaining thereto, embodied in printed form to be hereafter known as Issue of 1915, a copy of which is now before this Commission, be, and is hereby, approved; that a copy thereof duly authenticated by the Secretary of the Commission be filed in its archives, and a second copy thereof, in like manner authenticated, in the office of the Division of Carriers' Accounts; and that each of said copies so authenticated and filed shall be deemed an original record thereof.

It is further ordered, That the said Classification of Investment in Pipe Lines, Pipe Line Operating Revenues and Pipe Line Operating Expenses, with the text pertaining thereto, be, and is hereby, prescribed for the use of carriers by pipe lines subject to the provisions of the Act to Regulate Commerce as amended, in the keeping and recording of their pipe-line property investment, operating revenue, and operating expense accounts; that each and every such carrier and each and every receiver or operating trustee of any such carrier be required to keep all pipe-line property investment, operating revenue, and operating expense accounts in conformity therewith; and that a copy of the said issue be sent to each and every such carrier and to each and every receiver or operating trustee of any such carrier.

It is further ordered, That any such carrier or any receiver or operating trustee of any such carrier may subdivide any primary account established in the said issue or may make assignment of the amount credited or charged to any such primary account to operating divisions, to its individual lines, or to States: *Provided, however,* That such subprimary accounts set up or such assignments made by any such carrier or by any receiver or operating trustee of any such carrier do not impair the integrity of the accounts hereby prescribed:

And provided also, That a list of such subprimary accounts set up or such assignments made be first filed in the office of the Division of Carriers' Accounts, subject to disapproval by the Commission.

It is further ordered, That in order that the basis of comparison with previous years be not destroyed, any such carrier or any receiver or operating trustee of any such carrier may, during the twelve months from the time that the said issue becomes effective, keep and maintain, in addition to the pipe-line property investment, operating revenue, and operating expense accounts hereby prescribed, such portion or portions of its present accounts with respect to pipe-line property investment, operating revenue, and operating expense items as may be deemed desirable by any such carrier or by any receiver or operating trustee thereof, for the purpose of such comparison; or, during the same period, may maintain such groupings of the primary accounts hereby prescribed as may be desired for that purpose.

It is further ordered, That, unless otherwise ordered, any such carrier or any receiver or operating trustee of any such carrier may keep any temporary or experimental accounts for pipe-line property investment, revenues, or expenses, the purpose of which shall be to develop the efficiency of operations: *Provided, however,* That such temporary or experimental accounts shall not impair the integrity of any general or primary account hereby prescribed.

It is further ordered, That January 1, 1915, be, and is hereby, fixed as the date on which the said issue of the Classification of Investment in Pipe Lines, Pipe Line Operating Revenues and Pipe Line Operating Expenses shall become effective.

By the Commission.

GEORGE B. MCGINTY,
Secretary.

INTRODUCTORY LETTER.

INTERSTATE COMMERCE COMMISSION,
DIVISION OF CARRIERS' ACCOUNTS,
Washington, D. C., December 22, 1914.

TO ACCOUNTING OFFICERS OF PIPE LINES:

The accounts for investment in pipe-line property contained herein are the first issue by the Commission of uniform accounts for such investment. The accounts for operating revenues and operating expenses supersede those contained in the Classification of Operating Revenues and Operating Expenses of Pipe Line Companies, First Issue, effective on January 1, 1911.

The accounts for the maintenance of physical property have been arranged to correspond, as nearly as practicable, with those for the investment in such property. A single primary account has been provided for the current depreciation of fixed improvements and equipment. It is provided that these charges shall be kept in such manner that the depreciation charges may be reported classified in accordance with the classification of investment in pipe-line property.

The general and special instructions contain a comprehensive statement of the principles underlying the classification, indicating generally the application of the accounting rules. The attention of accounting officers is called to the importance of requiring all employees who are assigned to accounting work in connection with property investment, operating revenues, and operating expenses to familiarize themselves thoroughly with these instructions.

The classification, in tentative form, has been presented for criticism and suggestions to the chief accounting officers of the several pipe-line companies. All suggestions received from such parties have been given careful consideration, and many of them have been incorporated in the classification as here issued.

FRED W. SWENEY,
Chief Examiner of Accounts.

THE INTERSTATE COMMERCE COMMISSION.

JAMES S. HARLAN, *of Illinois.*

JUDSON C. CLEMENTS, *of Georgia.*

EDGAR E. CLARK, *of Iowa.*

CHARLES C. McCHORD, *of Kentucky.*

BALTHASAR H. MEYER, *of Wisconsin.*

HENRY C. HALL, *of Colorado.*

WINTHROP M. DANIELS, *of New Jersey.*

GEORGE B. MCGINTY, *Secretary.*

GENERAL INSTRUCTIONS.

The accounting company's records shall be kept with sufficient particularity to show fully the facts pertaining to all entries made in the accounts provided herein for investment in pipe lines and for pipe-line operations. Where the full information is not recorded in the general books, the entries therein shall be supported by other records in which the full details shall be shown. Such general book entries shall contain sufficient reference to the detail records to permit ready identification, and the detail records shall be filed in such manner as to be readily accessible for examination by representatives of the Interstate Commerce Commission.

1. Submission of questions.—To the end that uniformity of accounting may be maintained from year to year, carriers shall submit all questions of doubtful interpretation of the accounting rules to the Commission for consideration and decision.

2. Departmental accounts.—Distinct investment, revenue, and expense accounts are provided for gathering lines and for trunk lines.

Gathering lines are such pipe-line facilities as are used in transporting oil from the wells of producers to points of delivery within the gathering district, or to points of connection with trunk lines for transportation beyond the gathering district, and in such other operations within the district as are incident to the gathering service.

Trunk lines are such pipe-line facilities as are used in the transportation of oil which has been gathered from the wells of producers, or has been received from connecting lines, refineries, or vessels.

When any of the carrier's facilities are used both for gathering and transporting oil, its investment in such property shall be classified in the accounts for gathering lines when used principally for gathering service; otherwise the investment shall be classified in the investment accounts for trunk lines.

In the accounts for the operation of gathering lines it has been provided that the revenue from the transportation of oil which is delivered within the gathering lines in which such oil is gathered shall be included in the accounts for gathering-line operations.

In case any part of the carrier's facilities is used both for the gathering of oil and for trunk-line transportation of oil, the expenses of maintaining and operating such facilities shall be equitably apportioned between the operating expense accounts for gathering lines and those for trunk lines.

3. Cost of organization.—It is not intended that expenses in connection with the organization of pipe-line carrier corporations shall be included in the accounts for investment in physical property. The expenses here referred to include fees paid to Governments for the privilege of incorporation, office and other expenditures

incident to organizing the corporation and putting it in readiness to do business, cost of preparing and distributing prospectuses, cost of soliciting subscriptions for stock, cash fees paid to promoters, actual cash value (at the time of the organization) of securities paid to promoters for their services in organizing the enterprise, special counsel fees, cost of preparing and issuing certificates of stock, cost of procuring necessary certificates from State authorities, and other like costs.

Such expenses shall be included in a balance-sheet account under the caption "Cost of organization."

4. **Service performed by other departments.**—The charges against the accounts for pipe-line operations for services rendered by other departments of the carrier shall be upon the basis of prices which fairly represent the cost of the service.

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SPECIAL INSTRUCTIONS.

1. **Accounts for investment in pipe lines.**—The accounts prescribed in this classification are designed to show the investment of the carrier in property devoted to pipe-line transportation service. The carrier's investment in physical property other than transportation property shall be included in distinct balance-sheet accounts. *The carrier* means the accounting carrier, except when otherwise specifically indicated.

2. **Items to be charged.**—To these accounts shall be charged the cost of original pipe lines, and of pipe-line extensions, additions, and betterments.

Costs shall be actual money costs to the carrier. In determining the money costs cash and trade discounts realized shall be deducted from the gross costs of the property acquired. The carrier's proportion only of the cost of joint projects, such as construction of jointly owned lines at joint expense, shall be included in these accounts.

Additions are additional facilities, such as additional buildings, oil tanks, and other structures; additions to facilities, such as extensions to pipe lines, buildings, and other structures; and additional devices applied to facilities. When property, such as a section of oil pipe, building, or other structure, is retired from service and replaced with property of like purpose, the newly acquired property shall, for the purpose of this classification, be considered as an addition, and the cost thereof accounted for accordingly. (See section 7.)

Betterments are improvements of existing facilities through the substitution of superior parts for inferior parts retired, such as the application of larger pipe in lines.

3. **Basis of charges.**—The charges to the accounts of this classification shall be based upon the cost of the property acquired. When the consideration given for property or the improvement of property the cost of which is chargeable to the accounts of this classification is other than money, the money value of the consideration at the time of the transaction shall be charged to these accounts, and the actual consideration shall be described in the record in sufficient detail to identify it. The carrier shall be prepared to furnish the Commission, upon demand, the particulars of its determination of the actual cash value of the consideration, if other than money.

4. **Cost of construction.**—It is intended that the accounts for fixed improvements and equipment constructed by or on account of the carrier shall include the cost of the construction of such property. The cost of construction shall include the cost of labor, teaming, materials and supplies, special machine service, transportation, contract work, protection from casualties, injuries and damages, privileges, stationery and printing, taxes, interest during construction, and other analogous elements in connection with such work.

Construction includes all processes connected with the acquisition and construction of original pipe lines, and of pipe-line extensions, additions, and betterments.

Fixed improvements means structures which are fixed as to location, such as buildings, oil tanks, oil pipes, boilers, and engines.

The several items of cost here referred to are defined as follows:

(a) *Cost of labor* includes the amount paid for labor expended by the carrier's own employees, including the cost of labor expended for preliminary work, such as sinking test holes or making soundings for buildings and other structures, and cost of labor expended in laying and taking up tracks and pipe lines for temporary use in construction. Office expenses and traveling and other personal expenses of employees, when borne by the carrier, shall be considered a part of the cost of the labor, as shall also the cost of fidelity bonds and employers' liability insurance premiums. When officers

or employees of an operating carrier are specially assigned to construction work, their pay and their traveling and incidental expenses while thus engaged shall be included in the cost of the work, but no charge shall be made against pipe-line accounts for the pay of officers of such carriers who merely render services incidentally in connection with extensions, additions, or betterments, although traveling and incidental expenses incurred by such officers solely on account of such work shall be included in the account to which the cost of the work is chargeable.

(b) *Cost of teaming* includes the cost of labor expended and materials and supplies consumed in maintaining and operating team service in connection with the hauling of material, the conveying of persons, and in grading, ditching, and other miscellaneous teaming work.

(c) *Cost of materials and supplies* includes the purchase price (less cash or trade discounts realized) of materials and supplies at the point of free delivery, plus the costs of inspection and loading assumed by the carrier; also, a suitable proportion of store expenses. (See special instructions for operating expense accounts, section 8.) The prices of secondhand material used shall be determined by deducting fair allowances for depreciation from the current prices of new material of the same class. In calculating the cost of materials used fair allowance shall be made for the value of unused portions and of cuttings, turnings, borings, etc., and for the value of the material recovered from temporary tracks, scaffolding, cofferdams, and other temporary structures used in construction.

(d) *Cost of special machine service* includes the cost of labor expended and of materials and supplies consumed in maintaining and operating steam shovels, scrapers, pile drivers, dredges, ditchers, weed burners, and other labor-saving machines; also, rents paid for use of such machines.

(e) *Cost of transportation* includes the amounts paid to other companies or individuals for the transportation of men, materials and supplies, special machine outfits, appliances, and tools in connection with construction. Where costs of transportation can readily be assigned to specific materials, they shall be so assigned and shall be charged into the construction accounts as a part of the cost of the material affected.

(f) *Cost of contract work* includes amounts paid for work performed under contract by other companies, firms, or individuals, and costs incident to the award of the contract.

(g) *Cost of protection from casualties* includes expenditures for protection against fire, such as payments for discovery or extinguishment of fires, cost of detecting and prosecuting incendiaries, witness fees in relation thereto, amounts paid to municipal corporations and others for fire protection, and other analogous items of expenditure in connection with construction work.

(h) *Cost of injuries and damages* includes expenditures on account of injuries to persons or damage to property when incident to construction projects. It also includes that portion of premiums paid for insuring property applicable to the period prior to the completion or coming into service of the property insured. The loss incurred because of an injury or damage shall be included in the cost of the work in connection with which the injury or damage occurs. Insurance recovered on account of compensation paid for injuries to persons incident to construction shall be credited to the accounts to which such compensation is charged, and insurance recovered on account of damages to property incident to construction shall be credited to the accounts chargeable with the expenditures necessary for restoring the damaged property. The cost of injuries and damages incident to the removal of old structures, or parts thereof, shall be charged to Operating Expenses, except that such costs in connection with the removal of old structures which are incumbrances on newly acquired lands shall be included in account No. 1, or No. 51, "Land."

(i) *Cost of privileges* includes compensation for temporary privileges, such as the use of public property or streets, in connection with the construction of the property of the carrier.

(j) *Stationery and printing* includes the cost of stationery, stationery supplies, postage, office devices, and printed matter used by employees in connection with the construction of the property of the carrier.

(k) *Taxes* includes State, county, township, city, school, road, annual franchise, and all other taxes or assessments levied and paid on property belonging to the carrier during construction and before the facilities are used for commercial operations.

(l) *Interest during construction.*—When any bonds, notes, or other evidences of indebtedness are sold, or any interest-bearing debt is incurred for acquisition and construction of original pipe lines, and of pipe-line extensions, additions, and betterments, the interest accruing on the part of the debt representing the cost of property chargeable to pipe-line investment accounts (less interest, if any, allowed by depositaries on unexpended balances) after such funds become available for use and before the receipt or the completion or coming into service of the property so acquired shall be charged to the accounts of this classification.

When such securities are sold at a premium, the proportion of such premium assignable to the time between the date of the actual issuance of the securities and the time when the property acquired or the improvement made becomes available for service shall be credited to the accounts of this classification.

These accounts shall also include such proportion of the discount and expense on funded debt issued for the acquisition of original pipe lines, and of pipe-line extensions, additions, and betterments, as is equitably assignable to the period between the date of the actual issuance of securities and the time when the property acquired or the improvement made becomes available for the service for which it is intended. The proportion of discount and expense thus chargeable shall be determined by the ratio between the period prior to the completion or coming into service of the facilities or improvements acquired and the entire life of the securities issued.

This account shall also include reasonable charges for interest, during the construction period before the property becomes available for service, on the carrier's own funds expended for construction purposes.

Interest on bonds, notes, or other evidences of indebtedness accruing before the proceeds from the sale of the securities become available for use shall not be included in these accounts, nor shall there be included any interest accruing after the property with respect to which the proceeds are expended is received or becomes available for use in connection with commercial service.

If any securities which have been issued or assumed by the carrier are sold or exchanged by or for the carrier for a consideration, the actual money value of which at the time of such sale or exchange is less than the value of the securities at par and the accrued interest thereon, if any, the difference between the money value of the consideration received and the par value of the securities plus the accrued interest shall be deemed a discount. In no case (except as provided in this section) shall discounts be included as part of the cost of anything charged to any account prescribed in this classification.

For the purposes of these accounts funded debt securities are considered to be *nominally issued* when certified by trustees and placed with the proper officer for sale and delivery, or pledged, or otherwise placed in some special fund of the accounting company. They are considered to be *actually issued* when they have been sold to a bona fide purchaser for a valuable consideration, and such purchaser holds them free from all control by the accounting company. All funded debt securities *actually issued* and not reacquired and held by or for the accounting company are considered to be *actually outstanding*. If reacquired by or for the accounting company under such circumstances as require them to be considered as held alive and not canceled or retired, they are considered to be *nominally outstanding*.

5. *Excavated material.*—The cost of disposing of material excavated in connection with construction shall be considered as a part of the cost of the work, except that

when such material is used for filling, the cost of removal and dumping shall be equitably apportioned between the work in connection with which the removal occurs and the work in connection with which the material is used.

6. Items to be credited.—To these accounts shall be credited the ledger value of property retired.

Ledger value of property is the value at which the property is carried in the property investment account in the general ledger of the carrier. In case the value of any item of property is not shown separately in the ledger the ledger value of that item shall be its proportionate share of the value of the entire group in which the particular property is included.

Property retired means property which is sold, abandoned, demolished, or otherwise withdrawn from transportation service.

Salvage from retired property is the value of material recovered from property retired. When such material is retained and again used by the carrier, the value shall be computed upon the basis of fair prices for the material in its condition as recovered. When such material is sold, the net proceeds of the sale shall be considered as the value of the material.

7. Property retired.—When a unit of property other than land—such as a section of pipe line, shop or power plant machine, building, or other structure—is retired from service, the ledger value of the retired property shall be credited to the appropriate accounts of this classification at the time that the property is retired from service. The amount of this credit shall be charged concurrently as follows:

An amount equal to the credit balance in the accrued depreciation balance-sheet account with respect to the property thus retired shall be charged to that account, and the remainder (less salvage and insurance recovered, if any), together with the cost of demolishing the property, if demolished by or for the carrier, shall be charged to the appropriate property retirement account. The accounting for the salvage shall be in accordance with the disposition made of the material recovered.

If so authorized by the Interstate Commerce Commission, the carrier may charge to Profit and Loss any extraordinarily large item representing the cost of property retired, instead of charging such item to Operating Expenses. The carrier shall file with the Commission a statement of the cost and a description of the property retired and the reasons which, in its judgment, indicate the propriety of charging the cost of such property to Profit and Loss.

8. Adjustments for converted property.—When property, such as a building or other facility of one class, is converted into property of another class, so that the amount of investment in such property must be transferred from one property investment account to another, the ledger value shall be credited to the account in which the cost of the property is recorded, and such ledger value, plus the cost of any additions and betterments to the property (see section 2, paragraphs 3 and 4, of these instructions) shall be included in the account appropriate for the property as converted. The depreciation accrued upon the property at the time of conversion shall be correspondingly transferred in the accrued depreciation account. The cost of the work in connection with the conversion, chargeable to Operating Expenses, shall be included in the expense accounts appropriate for the maintenance of the property (see section 9 of these instructions).

9. Expenses in connection with additions and betterments.—The cost of removing old material from pipe lines, buildings, wharves, and other fixed improvements shall be charged to the appropriate operating expense accounts; also the cost of removing old foundations and filling old excavations, and restoring condition of grounds after addition and betterment work; rearranging or relocating existing pipe lines; relocating telegraph and telephone poles or lines, fences, buildings, and other structures; and maintaining or protecting traffic during the progress of addition and betterment work, including the cost of constructing, maintaining, and removing temporary pipe lines required for maintaining traffic during the progress of the work.

TEXT PERTAINING TO ACCOUNTS FOR INVESTMENT IN PIPE LINES.

I. GATHERING LINES.

The several primary accounts included in this general account are designed to show the cost of land, rights of way, fixed improvements, and equipment owned by the carrier and devoted to gathering line operations.

1. LAND.

This account shall include the cost of land of necessary width, held in fee simple, acquired for pipe lines; the cost of land for storage, station, office, shop, and other grounds; for ingress to or egress from such grounds; for borrow pits, waste banks, and for storage of material adjoining the right of way; the cost of land for wharves and docks, and the cost of riparian or water rights necessary therefor; the cost of removing from the right of way and locating elsewhere the property of others, and the cost of necessary land for relocation of the property, when such costs are assumed by the accounting carrier.

Proceeds from the sale of timber or of improvements purchased with the land, less any cost of removal, shall be credited to this account.

ITEMS OF INVESTMENT IN LAND.

Abstracts of title.	Plats of property.
Appraisals.	Premiums on condemnation bonds.
Arbitrators' fees in condemnation cases.	Proportion of right-of-way agents' compensation.
Commissions paid to others.	Reclaiming land (general grading to make land usable, without reference to any structure).
Condemnation expenses, including court costs and special counsel fees.	Recording deeds.
Damages to property of others.	Removal and relocation of buildings and other structures not purchased.
Ditches for waterways when part of consideration.	Rent of land when part of consideration for purchase.
Judgments and decreed costs to clear or defend titles.	Taxes accrued and assumed at time of purchase.
Notarial fees.	

NOTE.—The cost of land acquired in excess of that necessary for transportation operations shall be included in other appropriate balance-sheet accounts. When the purchase of land acquired for transportation operations involves the purchase of land not used for such purposes the charges to this account shall be based upon the estimated cost of only that portion which is used for such purposes.

2. RIGHTS OF WAY.

This account shall include amounts paid for rights of way; also expenses in connection with obtaining such rights of way, and right-of-way damages.

NOTE A.—The cost of land owned in fee simple, used as right of way, is provided for in account No. 1, "Land."

NOTE B.—Periodical rents paid for use of right of way shall be charged to the appropriate income accounts.

3. LINE PIPE.

This account shall include the cost of oil-line pipe, 2 inches inside diameter and up, including collars, laid in the construction of oil-gathering lines.

This account may also include the cost of loose pipe distributed for construction changes and replacements, but in case the cost of such loose pipe is included in this account the carrier's record shall be kept in such form that the cost thereof may be reported separately.

NOTE.—The cost of teaming and laying gathering-line pipe is provided for in account No. 5, "Pipe-line construction."

4. LINE PIPE FITTINGS.

This account shall include the cost of oil-line pipe fittings and of oil-line pipe less than 2 inches inside diameter laid in the construction of oil-gathering lines.

This account may also include the cost of loose oil-line pipe less than 2 inches inside diameter, and of oil-line pipe fittings, distributed for construction changes and replacements, but in case the cost of such loose pipe and fittings is included in this account the carrier's record shall be kept in such form that the cost thereof may be reported separately.

NOTE.—The cost of teaming and laying gathering-line pipe fittings is provided for in account No. 5, "Pipe-line construction."

5. PIPE-LINE CONSTRUCTION.

This account shall include all costs of constructing oil-pipe lines, except the cost of pipe and pipe fittings provided for in accounts Nos. 3 and 4.

It includes items such as teaming, labor expended in excavating, connecting up pipe lines, and back filling. It also includes damages incident to construction of pipe lines.

6. BUILDINGS.

This account shall include the cost of buildings, including foundations, fixtures, and appurtenances, other than those the cost of which is chargeable to account No. 12, "Delivery facilities."

NOTE A.—The cost of foundations special to boilers, engines, and pumps, and machine tools and machinery shall be included in the cost of such machinery and apparatus.

NOTE B.—The cost of grading and preparing grounds both before and after the construction of buildings, and the cost of constructing sidewalks, driveways, and fences thereon, shall be included in the cost of the buildings, as shall also the fees and expenses of architects specially employed for designing or supervising the construction of the buildings, but the cost of restoring the grounds after addition and betterment work shall be included in the appropriate operating expense accounts. The cost of permanent water rights shall also be included in the cost of the buildings.

7. BOILERS.

This account shall include the cost of boilers, including the cost of special boiler foundations and installation.

NOTE A.—The cost of foundations other than those special to particular boilers shall be included in the cost of the building, and not in this account.

NOTE B.—The cost of boilers for use in connection with delivery facilities shall be included in account No. 12, "Delivery facilities."

NOTE C.—The cost of boiler accessories and attachments, such as injectors, water gauges, steam gauges, pipe, and pipe fittings, shall be included in account No. 10, "Other station equipment."

8. ENGINES AND PUMPS.

This account shall include the cost of engines and pumps, including the cost of special engine and pump foundations and installation.

NOTE A.—The cost of foundations other than those special to particular engines and pumps shall be included in the cost of the building, and not in this account.

NOTE B.—The cost of engines and pumps for use in connection with delivery facilities shall be included in account No. 12, "Delivery facilities."

9. MACHINE TOOLS AND MACHINERY.

This account shall include the cost of machine tools and machinery, including the cost of their special foundations and installation.

NOTE.—The cost of foundations other than those special to particular machine tools and machinery shall be included in the cost of the building, and not in this account.

10. OTHER STATION EQUIPMENT.

This account shall include the cost of all station equipment not provided for elsewhere, such as electric light, gas, and refrigeration equipment, and manifolds.

11. OIL TANKS.

This account shall include the cost of oil tanks, including grades, roofs, fire banks, steam coils, swing pipes, inlet valves, and outlet valves.

12. DELIVERY FACILITIES.

This account shall include the cost of delivery facilities, such as delivery racks, wharves (including buildings thereon), docks, and slips, including piling, pile protection, cribs, cofferdams, walls, and other necessary devices and apparatus for the operation or protection of such property.

It shall also include the cost of engines, pumps, and boilers at loading racks and on wharves, and of pipes from tanks to delivery facilities.

NOTE A.—The cost of land on which wharves are built and the cost of riparian or water rights for wharves and docks shall be charged to account No. 1, "Land."

NOTE B.—The cost of grading and preparing grounds, both before and after the construction of wharves and the cost of constructing sidewalks, driveways, and fences thereon shall be included in the cost of the wharves, but the cost of restoring the grounds after addition and betterment work shall be included in the appropriate operating expense accounts.

13. TELEGRAPH AND TELEPHONE LINES.

This account shall include the cost of telegraph and telephone lines, including terminal equipment.

DETAILS OF TELEGRAPH AND TELEPHONE TERMINAL EQUIPMENT.

Batteries.	Fuses and mechanical protectors.
Cables and wires, interior.	Rectifiers.
Conduits, interior.	Rheostats.
Connecting wires.	Sending and receiving instruments.
Current-controlling instruments.	Switchboards.
Electric generators and motors.	Testing outfits.
Electric meters.	Transformers.
Engines, stationary.	

DETAILS OF TELEGRAPH AND TELEPHONE OUTSIDE PLANT.

Aerial attachments.	Guy rods and wires.
Braces.	Insulators and pins.
Brackets.	Poles.
Cable boxes and appurtenances.	Submarine cables and connections.
Cables and wires, aerial.	Telephone pole boxes.
Conduits and appurtenances.	Towers.
Cross arms and cross-arm bolts.	Underground cables and connections.
Guy stubs and anchors.	

14. OFFICE FURNITURE AND EQUIPMENT.

This account shall include the cost of the initial equipment, furniture, and fixtures for general and local office buildings, such as office safes, desks, chairs, typewriters, adding and calculating machines, filing cabinets, fire extinguishers, etc., when not built in or permanently attached to buildings.

15. HIGHWAY EQUIPMENT.

This account shall include the cost of horses, mules, and harness; and cost of automobiles, and other highway vehicles.

16. OTHER PROPERTY.

This account shall include the cost of property used in gathering-line operations not provided for elsewhere.

II. TRUNK LINES.

The several primary accounts included in this general account are designed to show the cost of land, rights of way, fixed improvements, and equipment owned by the carrier and devoted to trunk-line operations.

51. LAND.

This account shall include the cost of land of necessary width, held in fee simple, acquired for pipe lines; the cost of land for storage, station, office, shop, and other grounds; for ingress to or egress from such grounds; for borrow pits, waste banks, and for storage of material adjoining the right of way; the cost of land for wharves and docks and the cost of riparian or water rights necessary therefor; the cost of removing from the right of way and locating elsewhere the property of others, and the cost of necessary land for relocation of the property, when such costs are borne by the accounting carrier.

Proceeds from the sale of timber or of improvements purchased with the land, less any cost of removal, shall be credited to this account.

ITEMS OF INVESTMENT IN LAND.

Abstracts of title.	Plats of property.
Appraisals.	Premiums on condemnation bonds.
Arbitrators' fees in condemnation cases.	Proportion of right-of-way agents' compensation.
Commissions paid to others.	Reclaiming land (general grading to make land usable, without reference to any structures).
Condemnation expenses, including court costs and special counsel fees.	Recording deeds.
Damages to property of others.	Removal and relocation of buildings and other structures not purchased.
Ditches for waterways when part of consideration.	Rent of land when part of consideration for purchase.
Judgments and decreed costs to clear or defend titles.	Taxes accrued and assumed at time of purchase.
Notarial fees.	

NOTE.—The cost of land acquired in excess of that necessary for transportation operations shall be included in other appropriate balance-sheet accounts. When the purchase of land acquired for transportation operations involves the purchase of land not used for such purposes the charges to this account shall be based upon the estimated cost of only that portion which is used for such purposes.

52. RIGHTS OF WAY.

This account shall include amounts paid for rights of way; also expenses in connection with obtaining such rights of way and right-of-way damages.

NOTE A.—The cost of land owned in fee simple, used as right of way, is provided for in account No. 51, "Land."

NOTE B.—Periodical rents paid for use of right of way shall be charged to the appropriate income accounts.

53. LINE PIPE.

This account shall include the cost of oil-line pipe 2 inches inside diameter and up, including collars, laid in the construction of oil trunk lines.

NOTE.—The cost of teaming and laying trunk-line pipe fittings is provided for in account No. 55, "Pipe-line construction."

54. LINE PIPE FITTINGS.

This account shall include the cost of oil-line pipe fittings and of oil-line pipe less than 2 inches inside diameter, laid in the construction of oil trunk lines.

NOTE.—The cost of teaming and laying trunk-line pipe fittings is provided for in account No. 55, "Pipe-line construction."

55. PIPE-LINE CONSTRUCTION.

This account shall include all costs of constructing oil-pipe lines, except the cost of pipe and pipe fittings provided for in accounts Nos. 53 and 54.

It includes items such as teaming, labor expended in excavating, connecting up pipe lines, and back filling. It also includes damages incident to construction of pipe lines.

56. BUILDINGS.

This account shall include the cost of buildings, including foundations, fixtures, and appurtenances, other than those the cost of which is chargeable to account No. 62, "Delivery facilities."

NOTE A.—The cost of foundations special to boilers, engines, and pumps, and machine tools and machinery shall be included in the cost of such machinery and apparatus.

NOTE B.—The cost of grading and preparing grounds both before and after the construction of buildings and the cost of constructing sidewalks, driveways, and fences thereon, shall be included in the cost of the buildings, as shall also the fees and expenses of architects specially employed for designing or supervising the construction of the buildings, but the cost of restoring the grounds after addition and betterment work shall be included in the appropriate operating expense accounts. The cost of permanent water rights shall also be included in the cost of the buildings.

57. BOILERS.

This account shall include the cost of boilers, including the cost of special boiler foundations and installation.

NOTE A.—The cost of foundations other than those special to particular boilers shall be included in the cost of the building, and not in this account.

NOTE B.—The cost of boilers for use in connection with delivery facilities shall be included in account No. 62, "Delivery facilities."

NOTE C.—The cost of boiler accessories and attachments, such as injectors, water gauges, steam gauges, pipe, and pipe fittings, shall be included in account No. 60, "Other station equipment."

58. ENGINES AND PUMPS.

This account shall include the cost of engines and pumps, including the cost of special engine and pump foundations and installation.

NOTE A.—The cost of foundations, other than those special to particular engines and pumps, shall be included in the cost of the building, and not in this account.

NOTE B.—The cost of engines and pumps for use in connection with delivery facilities shall be included in account No. 62, "Delivery facilities."

59. MACHINE TOOLS AND MACHINERY.

This account shall include the cost of machine tools and machinery, including the cost of their special foundations and installation.

NOTE.—The cost of foundations, other than those special to particular machine tools and machinery, shall be included in the cost of the building, and not in this account.

60. OTHER STATION EQUIPMENT.

This account shall include the cost of all station equipment not provided for elsewhere, such as electric light, gas, and refrigeration equipment, and manifolds.

61. OIL TANKS.

This account shall include the cost of oil tanks, including grades, roofs, fire banks, steam coils, swing pipes, inlet valves, and outlet valves.

62. DELIVERY FACILITIES.

This account shall include the cost of delivery facilities, such as delivery racks, wharves (including buildings thereon), docks, and slips, including piling, pile protection, cribs, cofferdams, walls, and other necessary devices and apparatus for the operation or protection of such property.

It shall also include the cost of engines, pumps, and boilers at loading racks and on wharves, and of pipes from tanks to delivery facilities.

The cost of similar facilities used for the receipt of oil shall also be included in this account.

NOTE A.—The cost of land on which wharves are built and the cost of riparian or water rights for wharves and docks shall be charged to account No. 51, "Land."

NOTE B.—The cost of grading and preparing grounds, both before and after the construction of wharves, and the cost of constructing sidewalks, driveways, and fences thereon, shall be included in the cost of the wharves, but the cost of restoring the grounds after addition and betterment work shall be included in the appropriate operating expense accounts.

63. TELEGRAPH AND TELEPHONE LINES.

This account shall include the cost of telegraph and telephone lines, including terminal equipment.

DETAILS OF TELEGRAPH AND TELEPHONE TERMINAL EQUIPMENT.

Batteries.	Fuses and mechanical protectors.
Cables and wires, interior.	Rectifiers.
Conduits, interior.	Rheostats.
Connecting wires.	Sending and receiving instruments.
Current-controlling instruments.	Switchboards.
Electric generators and motors.	Testing outfits.
Electric meters.	Transformers.
Engines, stationary.	

DETAILS OF TELEGRAPH AND TELEPHONE OUTSIDE PLANT.

Aerial attachments.	Guy rods and wires.
Braces.	Insulators and pins.
Brackets.	Poles.
Cable boxes and appurtenances.	Submarine cables and connections.
Cables and wires, aerial.	Telephone pole boxes.
Conduits and appurtenances.	Towers.
Cross arms and cross arm bolts.	Underground cables and connections.
Guy stubs and anchors.	

64. OFFICE FURNITURE AND EQUIPMENT.

This account shall include the cost of the initial equipment, furniture, and fixtures for general and local office buildings, such as office safes, desks, chairs, typewriters, adding and calculating machines, filing cabinets, fire extinguishers, etc., when not built in or permanently attached to buildings.

65. HIGHWAY EQUIPMENT.

This account shall include the cost of horses, mules, and harness, and cost of wagons, automobiles, and other highway vehicles.

66. OTHER PROPERTY.

This account shall include the cost of property used in trunk-line operations not provided for elsewhere.

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SPECIAL INSTRUCTIONS.

1. Accounts for operating revenues.—The accounts provided for operating revenues are designed to show amounts of money which the accounting company becomes entitled to receive from transportation and from operations incident thereto. They are also designed to show amounts charged to other departments for similar services rendered for other branches of the carrier's business. When the charges to other departments are based upon other than published tariff rates, the accounting company's records shall clearly indicate the bases upon which the charges are made.

Credits to the revenue accounts shall as nearly as practicable be upon the basis of accruals of revenue.

No charge shall be made against the accounts of this classification for amounts representing tariff charges which for any cause are uncollected, the service for which the charge is made having been properly performed and individuals or companies being liable for the charges.

Uncollectible charges against individuals and companies, representing tariff charges for transportation service rendered for which such individuals and companies are liable, shall be charged to Profit and Loss. This includes items such as charges where credit has been extended and the debtor becomes insolvent, and also uncollectible undercharges discovered after the service has been rendered.

Uncollected tariff charges on unclaimed and refused shipments of oil, such refused shipments having been transported in accordance with the contract of shipment, shall be charged to a suspense account, to which shall be credited, to the extent of the tariff charges included therein, the proceeds derived from the sale of such unclaimed and refused shipments. When the excess of the tariff charges over the amount realized from the sale of the oil is found to be uncollectible, such excess shall be cleared to Profit and Loss.

When the amount realized from the sale of unclaimed and refused shipments of oil exceeds the amount of tariff charges for the transportation thereof, the excess (if lawfully retained by the carrier) shall be credited to Profit and Loss.

2. Unaudited items affecting operating revenues.—When for any cause the amount of any item affecting operating revenues can not be accurately determined in time for inclusion in the accounts of the month in which the transaction occurs, the amount of the item shall be estimated and in such form charged or credited to the operating revenue accounts and credited to balance-sheet account "Other unadjusted credits," or charged to balance-sheet account "Other unadjusted debits," as may be appropriate, the necessary adjustments being made later when the item is audited. The accounting company is not required to anticipate minor items which would not appreciably affect the operating revenues.

TEXT PERTAINING TO PIPE LINE OPERATING REVENUE ACCOUNTS.

REVENUE—GATHERING LINES.

I. ACTUAL REVENUE.

The primary accounts included in this general account are designed to show amounts of money which the carrier becomes entitled to receive, or which accrue to its benefit, from services rendered to others in gathering oil and oil products, in the transportation of oil and oil products delivered within the gathering lines in which such oil and oil products are gathered, and from services incident to such operations.

101. GATHERING AND TRANSPORTATION REVENUE.

This account shall include the revenue from the gathering of oil and oil products, and from the transportation of oil and oil products delivered within the gathering lines in which such oil and oil products are gathered.

102. STORAGE AND DEMURRAGE REVENUE.

This account shall include the revenue from the storage of oil; also demurrage charges incident to the failure of the consignee to receive oil or oil products promptly.

103. MISCELLANEOUS REVENUE.

This account shall include the revenue from sources other than the gathering and storage of oil and oil products, such as revenue from telegrams, telephone messages, and other incidental services.

II. INTERDEPARTMENTAL CONSTRUCTIVE REVENUE.

The primary accounts included in this general account are designed to show the amounts charged to departments operating other branches of business of the carrier by the gathering-line department for gathering oil and oil products, for the transportation of oil and oil products delivered within the gathering lines in which such oil and oil products are gathered, and for services incident to such operations.

121. GATHERING AND TRANSPORTATION SERVICE.

This account shall include amounts charged against other departments, for the gathering of oil and oil products, and for the transportation and delivery of oil and oil products within the gathering lines in which such oil and oil products are gathered.

This account shall be subdivided to show—

1. Charges upon the basis of published tariff rates.
2. Charges upon other bases.

122. STORAGE SERVICE.

This account shall include amounts charged against other departments for the storage of oil and oil products.

This account shall be subdivided to show—

1. Charges upon the basis of published tariff rates.
2. Charges upon other bases.

123. MISCELLANEOUS SERVICE.

This account shall include charges against other departments, for services rendered other than those incident to the gathering and storing of oil and oil products, such as charges for telegrams, telephone messages, and other incidental services.

NOTE.—When work which involves the expenditure of the labor of employees of the gathering department, or the furnishing of material, is performed at cost for other departments, the amounts charged for labor shall be credited to the pay-roll accounts, and those for material to the material and supplies accounts, and not to this account.

REVENUE—TRUNK LINES.**I. ACTUAL REVENUE.**

The primary accounts included in this general account are designed to show amounts of money which the carrier becomes entitled to receive, or which accrue to its benefit, from services rendered to others in the transportation by trunk lines of oil and oil products, and from services incident to such operations.

151. TRANSPORTATION REVENUE.

This account shall include the revenue from the transportation by trunk lines of oil and oil products.

152. STORAGE AND DEMURRAGE REVENUE.

This account shall include the revenue from the storage of oil, also demurrage charges incident to the failure of the consignee to receive oil or oil products promptly.

153. MISCELLANEOUS REVENUE.

This account shall include the revenue from sources other than the transportation and storage of oil and oil products, such as revenue from telegrams, telephone messages, and other incidental services.

II. INTERDEPARTMENTAL CONSTRUCTIVE REVENUE.

The primary accounts included in this general account are designed to show the amounts charged to departments operating other branches of business of the carrier by the trunk-line department, for the transportation by trunk lines of oil and oil products, and for services incident to such operations.

171. TRANSPORTATION SERVICE.

This account shall include amounts charged against other departments for the transportation by trunk lines of oil and oil products.

This account shall be subdivided to show—

1. Charges upon the basis of published tariff rates.
2. Charges upon other bases.

172. STORAGE SERVICE.

This account shall include amounts charged against other departments for the storage of oil and oil products.

This account shall be subdivided to show—

1. Charges upon the basis of published tariff rates.
2. Charges upon other bases.

173. MISCELLANEOUS SERVICE.

This account shall include charges against other departments, for services rendered other than those incident to the transportation by trunk lines and the storing of oil and oil products, such as charges for telegrams, telephone messages, and other incidental services.

NOTE.—When work which involves the expenditure of the labor of employees of the trunk line department, or the furnishing of material, is performed at cost for other departments, the amounts charged for labor shall be credited to the pay-roll accounts, and those for material to the material and supplies accounts, and not to this account.

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SPECIAL INSTRUCTIONS.

1. Accounts for operating expenses.—The accounts prescribed for operating expenses are designed to show expenses of furnishing transportation service and services incident thereto, including the expenses of maintaining the plant used in the service. The accounting shall be as nearly as practicable upon the basis of accruals.

2. Maintenance expenses.—The accounts provided for maintenance of fixed improvements and equipment are designed to show the cost of repairs and also the loss through depreciation of the property used in operations, including all repairs and depreciation resulting from ordinary wear and tear of service, exposure to the elements, inadequacy, obsolescence, or other depreciation, or from accident, flood, or any casualty other than fire.

The cost of repairs which has been provided for in the several repair accounts shall include the cost of inspecting to determine the repairs necessary, and of adjusting, repairing, or replacing parts, both of fixed improvements and of equipment, the cost of inspecting and testing after repairs have been made; incidental costs of repairs, such as the construction or removal of false work; cost of relocation of fixed improvements; cost of protecting service during the progress of addition and betterment work; cost of laying out, cleaning, grading, draining, fencing, mowing, and beautifying grounds pertaining to buildings; repairing sidewalks, driveways, and streets within or adjacent to such grounds; cost of periodical restoration of seasonal features, such as gardens, shrubbery, and lawns; cost of restoring sidewalks, driveways, lawns, etc., in grounds after addition and betterment work; and cost of clearing and removing casual incumbrances, such as ice, snow, and fallen timber.

Payments made for the exclusive use of pipe-line property maintained by the lessor and used in the accounting company's operations shall be divided into two portions; one portion, representing the cost of maintenance, shall be charged to the appropriate maintenance accounts, and the other, representing rent (the amount applicable to the investment in the property), shall be charged to Income.

The difference between the depreciation upon fixed improvements and equipment retired and the amount provided for through the depreciation accounts shall be included in the retirement accounts when the property is retired. Destruction of property through fire shall not be considered a retirement and losses through such destruction shall be included in account No. 238, "Fire losses," or No. 288, "Fire losses," as may be appropriate.

Fixed improvements means structures which are fixed as to location, such as buildings, oil tanks, oil pipes, boilers, and engines.

3. Cost of repairs.—It is intended that the repair accounts of this classification shall include the cost of labor, materials and supplies, teaming, special machine service, contract work, privileges, protection from casualties, and other analogous items of expense in connection with the maintenance of the plant used in pipe-line service. The several items of cost here referred to are defined as follows:

(a) *Cost of labor* includes amounts paid for the labor of the accounting company's own employees. Except where otherwise specified in the text of the accounts, the cost of boarding, traveling, and other incidental expenses of employees shall be included in the accounts to which the pay of the employees is chargeable.

(b) *Cost of materials and supplies* includes the cost of materials and supplies at the point of free delivery, plus freight charges and the costs of inspection and loading assumed by the carrier; also a proportion of store expenses (see section 8). In calculating the cost of materials used proper allowance shall be made for the value of unused portions and of cuttings, turnings, borings, etc., and for the value of the material recovered from property repaired and from temporary pipe lines, scaffolding, cofferdams, and other temporary structures used in repair work.

(c) *Cost of teaming* includes the cost of labor expended and of materials and supplies consumed in maintaining and operating team service in connection with the hauling of material to the point at which repairs are to be made, the gathering up of released material, the conveying of persons, and of grading, ditching, and other miscellaneous team work. The expenses of teaming in connection with the retirement of pipe-line property (see section 7 of the special instructions for the classification of investment in pipe-line property) shall be included in account No. 214, "Retirements," or No. 264, "Retirements," as may be appropriate.

(d) *Cost of special machine service* includes the cost of labor expended and of materials and supplies consumed in operating steam shovels, pile drivers, dredges, ditchers, and other labor-saving machines; also rents paid for use of such machines.

(e) *Cost of contract work* includes amounts paid for work performed under contract by other companies, firms, or individuals, and specific expenses incident to the award of the contract.

(f) *Cost of privileges* includes amounts paid for special privileges, such as the temporary use of public property or streets in connection with the repairs of the property of the carrier. (Periodical payments for such privileges in connection with permanent use of public property for pipe-line operations shall be included in the income accounts.)

(g) *Cost of protection from casualties* includes expenditures for protection against damage by fire, flood, etc., such as payments for discovery or extinguishment of fires, cost of detecting and prosecuting incendiaries, expense for witnesses in relation thereto, amounts paid to municipal corporations and others for fire protection, and other analogous items of expense in connection with repair work, but does not include insurance premiums paid to assure reimbursement for prospective losses.

4. Royalties on appliances.—The royalties for patent rights on mechanical appliances used in repairs of equipment shall be included in the cost of the repairs.

5. Property retired.—The ledger value (less salvage and the credit balance in the accrued depreciation account with respect to the property retired) of fixed improvements and equipment retired, together with the cost of removing the property retired, shall be included in the accounts appropriate for the retirement of the property. (See section 7 of special instructions for the classification of investment in pipe-lines.)

6. Equalization of expenses.—For the purpose of equalizing the monthly charges for the repairs of fixed improvements and equipment the accounting company may include each month in the appropriate primary repair accounts a uniform proportion of the amount of authorized estimates of such expenses for the fiscal or calendar year.

Charges for repairs for a fiscal or calendar year shall be adjusted to the actual expenses.

7. Unaudited items affecting operating expenses.—When for any cause the amount of any item affecting operating expenses can not be accurately determined in time for inclusion in the accounts of the month in which the transaction occurs, the amount of the item shall be estimated and in such form charged or credited to the operating expense accounts and credited to balance-sheet account "Other unadjusted credits," or charged to balance-sheet account "Other unadjusted debits," as may be appropriate, the necessary adjustments being made later when the item is audited. The

accounting company is not required to anticipate minor items which would not appreciably affect the operating expenses.

8. **Material store expenses.**—To a clearing account entitled "Store expenses" shall be charged expenses in connection with handling and storing material in and distributing it from the carrier's storehouses, including the pay of officers and employees in store departments, and their traveling, office, and other expenses. The total amount of storehouse expenses charged to this account shall be distributed among the accounts to which the material is charged. The amounts thus distributed shall be, for each account, in proportion to the value of the material issued chargeable thereto, except that the pay and expenses of men employed in handling and inspecting a single class of material in material storehouses shall be added as store expenses to the cost of that particular material. To avoid monthly fluctuations in the ratio of store expenses to the value of material purchased or issued, carriers may make monthly apportionments on the basis of fair percentage rates, provided the store expenses account is adjusted and closed at the end of each year.

TEXT PERTAINING TO PIPE LINE OPERATING EXPENSE ACCOUNTS.

OPERATING EXPENSES—GATHERING LINES.

I. MAINTENANCE.

201. SUPERINTENDENCE.

This account shall include the pay of superintendents in charge of maintenance of gathering lines; the pay of their assistants, engineers, draftsmen, clerks, and attendants; and an equitable proportion of the salaries of officers engaged in the maintenance of gathering lines who are also engaged in work for the benefit of other departments, together with an equitable proportion of the pay of their assistants, clerks, and attendants.

This account shall also include the office expenses, or an equitable proportion thereof, of officers or employees whose pay is included in this account.

Office expenses include items such as rent and repairs of rented offices, and the cost of heat, light, postage, stationery, and printing.

202. REPAIRS OF PIPE LINES.

This account shall include the cost of repairs of oil-pipe lines.

203. CHANGING LINE CONSTRUCTION.

This account shall include all expenses, other than the cost of pipe and pipe fittings, in connection with the changing of the location of oil-pipe lines.

NOTE.—Amounts chargeable to operating expenses on account of replacement of pipe and pipe fittings in connection with the changing of lines shall be included in account No. 214, "Retirements."

204. REPAIRS OF BUILDINGS.

This account shall include the cost of repairs of gathering-line buildings of all classes, the investment in which is includible in account No. 6, "Buildings."

205. REPAIRS OF PUMPING STATIONS.

This account shall include the cost of repairing gathering-line pumping stations, including the cost of repairing pumps, boilers, air compressors, manifolds, fuel and water tanks, water and gas pipe, electric light or power machinery, dynamos, and switchboards used in gathering-line pumping stations.

NOTE.—The cost of repairs to gathering-line pumping station buildings shall be included in account No. 204, "Repairs of buildings."

206. REPAIRS OF OIL TANKS.

This account shall include the cost of repairs of oil tanks, including grades, roofs, fire banks, steam coils, swing pipes, inlet valves, and outlet valves.

207. REPAIRS OF DELIVERY FACILITIES.

This account shall include the cost of repairs of delivery facilities the investment in which is includible in account No. 12, "Delivery facilities."

208. REPAIRS OF TELEGRAPH AND TELEPHONE LINES.

This account shall include the cost of repairs of telegraph and telephone lines the investment in which is includible in account No. 13, "Telegraph and telephone lines."

209. REPAIRS OF OFFICE FURNITURE AND EQUIPMENT.

This account shall include the cost of repairs of office furniture and equipment the investment in which is includible in account No. 14, "Office furniture and equipment."

210. REPAIRS OF HIGHWAY EQUIPMENT.

This account shall include the cost of repairs of harness, and of wagons, automobiles, and other highway vehicles.

211. REPAIRS OF OTHER PROPERTY.

This account shall include the cost of repairs of property the investment in which is includible in account No. 16, "Other property."

It shall also include the proportion, assignable to gathering-line operations, of the cost of repairs of property, such as general office buildings used in the general administration of more than one department, general storehouses in which are carried material and supplies for use of several departments, and other property used in connection with the operations of several departments.

212. OTHER EXPENSES.

This account shall include the cost, not provided for elsewhere, of repairs of property used in gathering-line operations.

213. DEPRECIATION.

This account shall include charges covering the current loss from depreciation of gathering-line property. It shall also include an equitable proportion of the amounts charged to cover the depreciation upon property used for general purposes.

The carrier's records shall be kept in such manner that the charges for depreciation may be shown separately for each class of property as classified in the classification of investment in gathering-line property.

214. RETIREMENTS.

This account shall include amounts necessary to adjust the difference between the ledger value (less salvage) of gathering-line property retired, and the amount of accrued depreciation charged on account of such property to the date of its retirement.

It shall also include an equitable proportion of amounts necessary to adjust the difference between the ledger value (less salvage) of property used for general purposes retired, and the amount of accrued depreciation charged on account of such property to the date of its retirement.

In this account shall also be included the cost of demolishing the retired property when demolished by or for the accounting company.

The carrier's records shall be kept in such manner that the charges for retirements may be shown separately for each class of property as classified in the classification of investment in gathering-line property.

NOTE.—Retirement charges on account of property destroyed by fire shall be included in account No. 238, "Fire losses."

II. TRANSPORTATION.**221. SUPERINTENDENCE.**

This account shall include the pay of superintendents in charge of gathering-line transportation service; the pay of their assistants, clerks, and attendants; and an equitable proportion of the salaries of officers engaged in gathering-line transportation service who are also engaged in work for the benefit of other departments, together with an equitable proportion of the pay of their assistants, clerks, and attendants.

This account shall also include the office expenses, or an equitable proportion thereof, of officers or employees whose pay is included in this account.

Office expenses include items such as rent and repairs of rented offices, and the cost of heat, light, postage, stationery, and printing.

222. OPERATION OF GATHERING LINES.

This account shall include the pay of gaugers and assistants, of line walkers, and others engaged in operating oil-pipe lines, and the cost of supplies furnished to and incidental expenses of such employees, including railway fares of line walkers.

223. OPERATION OF PUMPING STATIONS.

This account shall include the pay of engineers, firemen, and others employed in the operation of gathering-line pumping stations; cost of fuel, lubricants, packing, waste, machine oil, gaskets, compound, and other supplies for operating pumps, boilers, and electric or other lighting apparatus used in connection with gathering-line pumping stations; cost of steam and water bought; cleaning station buildings and grounds; and all other expenses incurred in connection with the operation of gathering-line pumping stations.

224. OPERATION OF OIL TANKS.

This account shall include the pay of tank tenders and other employees engaged in the operation of oil tanks, the cost of supplies used, and other expenses incurred in the operation of oil tanks.

225. OPERATION OF DELIVERY FACILITIES.

This account shall include the pay of engineers, gaugers, testers, car loaders, and other employees engaged in the operation of delivery facilities, and supplies used and expenses incurred in connection therewith.

226. OPERATION OF TELEGRAPH AND TELEPHONE LINES.

This account shall include the pay of operators and messengers; the cost of chemicals, coppers, zincs, and other supplies for charging batteries; rent of telegraph and telephone offices and fuel, light, and other supplies therefor; expenses incident to the use of conduits, lines, and poles of other companies; and other expenses in connection with the operation of telegraph and telephone lines.

227. OIL SHORTAGE.

This account shall include the amounts paid for oil and oil products lost, except by fire, in the course of transportation or during storage.

NOTE.—Losses on account of destruction of oil and oil products by fire are provided for in account No. 238, "Fire losses."

228. OTHER EXPENSES.

This account shall include all expenses in connection with transportation that are not properly chargeable to other transportation accounts.

III. GENERAL.**231. GENERAL OFFICE SALARIES.**

This account shall include the salaries of general officers directly in charge both of maintenance and operation of gathering lines, including the pay of their assistants, clerks, and attendants. It shall also include an equitable proportion of the salaries of general officers engaged in administration of gathering-line and other departments, together with an equitable proportion of the salaries of their assistants, clerks, and attendants.

232. GENERAL OFFICE SUPPLIES AND EXPENSES.

This account shall include the office, traveling, and other expenses of officers and employees whose salaries are includible in account No. 231, "General office salaries," or an equitable proportion thereof, including the cost of supplies for automobiles and keep of horses used by such officers and employees; cost of atlases, directories, periodicals, and other publications for office use; telephone and messenger service; express charges; telegraph and cable tolls; and other analogous items.

233. LAW EXPENSES.

This account shall include the pay and expenses of general attorneys, counsel, solicitors, and attorneys, their clerks and attendants, and expenses of their offices; cost of law books, printing of legal documents, recording documents and securing abstracts of records; fees and retainers of attorneys, payments to arbitrators, costs of suits, witness or other fees, and all law and court expenses not provided for elsewhere. Law expenses incurred for more than one department shall be equitably apportioned.

234. INJURIES TO PERSONS.

This account shall include all expenses (other than law expenses) on account of persons killed or injured in the operation of gathering-line systems; including the pay and expenses of claim agents, investigators, and adjusters, medical and hospital fees and expenses, funeral expenses, payments in settlement of claims for personal injuries, and wages paid disabled employees while off duty.

235. DAMAGE TO PROPERTY.

This account shall include amounts paid for damage to the property of others (except oil lost) on account of bursting of pipes or by other occurrences incident to the operation and maintenance of gathering lines, including amounts paid under court judgments or in compromise of actions.

236. STATIONERY AND PRINTING.

This account shall include postage, stationery, and stationery supplies used in offices of officers whose salaries are includible in account No. 231, "General office salaries," not chargeable to other accounts, cost of printing reports, blanks, etc.; also cost of stationery and printing for the law department, except cost of printing briefs, legal forms, testimony, reports, etc., used in legal proceedings.

237. INSURANCE.

This account shall include premiums (except reinsurance premiums) for insuring the accounting company against loss through injuries to persons or damage to or destruction or loss of property, whether caused by fire, accident, or other cause, when such loss to the accounting company would be chargeable to gathering-line operations, also premiums on fidelity bonds of employees whose pay is chargeable to the accounts of this classification.

238. FIRE LOSSES.

This account shall include payments on account of damage by fire to oil in transit or in storage for which the accounting company is responsible; also the cost of repairing damage to the accounting company's property when caused by fire and the cost (less salvage and accrued depreciation) of fixed improvements and equipment destroyed by fire.

To this account shall be credited insurance recovered on account of losses chargeable to this account.

239. OTHER EXPENSES.

This account shall include all general operating expenses not properly chargeable to other general expense accounts for gathering lines.

OPERATING EXPENSES—TRUNK LINES.**I. MAINTENANCE.****251. SUPERINTENDENCE.**

This account shall include the pay of superintendents in charge of maintenance of trunk lines; the pay of their assistants, engineers, draftsmen, clerks, and attendants; and an equitable proportion of the salaries of officers engaged in the maintenance of trunk lines who are also engaged in work for the benefit of other departments, together with an equitable proportion of the pay of their assistants, clerks, and attendants.

This account shall also include the office expenses, or an equitable proportion thereof, of officers or employees whose pay is included in this account.

Office expenses include items such as rent and repairs of rented offices, and the cost of heat, light, postage, stationery, and printing.

252. REPAIRS OF PIPE LINES.

This account shall include the cost of repairs of oil-pipe lines.

253. CHANGING LINE CONSTRUCTION.

This account shall include all expenses, other than the cost of pipe and pipe fittings, in connection with the changing of the location of oil-pipe lines.

NOTE.—Amounts chargeable to operating expenses on account of replacement of pipe and pipe fittings in connection with the changing of lines shall be included in account No. 264, "Retirements."

254. REPAIRS OF BUILDINGS.

This account shall include the cost of repairs of trunk-line buildings of all classes, the investment in which is includible in account No. 56, "Buildings."

255. REPAIRS OF PUMPING STATIONS.

This account shall include the cost of repairing trunk-line pumping stations, including the cost of repairing pumps, boilers, air compressors, manifolds, fuel, and water tanks, water and gas pipe, electric light or power machinery, dynamos, and switchboards used in trunk-line pumping stations.

NOTE.—The cost of repairs to trunk-line pumping station buildings shall be included in account No. 254, "Repairs of buildings."

256. REPAIRS OF OIL TANKS.

This account shall include the cost of repairs of oil tanks, including grades, roofs, fire banks, steam coils, swing pipes, inlet valves, and outlet valves.

257. REPAIRS OF DELIVERY FACILITIES.

This account shall include the cost of repairs of delivery facilities the investment in which is includible in account No. 62, "Delivery facilities."

258. REPAIRS OF TELEGRAPH AND TELEPHONE LINES.

This account shall include the cost of repairs of telegraph and telephone lines the investment in which is includible in account No. 63, "Telegraph and telephone lines."

259. REPAIRS OF OFFICE FURNITURE AND EQUIPMENT.

This account shall include the cost of repairs of office furniture and equipment the investment in which is includible in account No. 64, "Office furniture and equipment."

260. REPAIRS OF HIGHWAY EQUIPMENT.

This account shall include the cost of repairs of harness, and of wagons, automobiles, and other highway vehicles.

261. REPAIRS OF OTHER PROPERTY.

This account shall include the cost of repairs of property the investment in which is includible in account No. 66, "Other property."

It shall also include the proportion, assignable to trunk-line operations, of the cost of repairs of property, such as general office buildings used in the general administration of more than one department, general storehouses in which are carried material and supplies for use of several departments, and other property used in connection with the operations of several departments.

262. OTHER EXPENSES.

This account shall include the cost, not provided for elsewhere, of repairs of property used in trunk-line operations.

263. DEPRECIATION.

This account shall include charges covering the current loss from depreciation of trunk-line property. It shall also include an equitable proportion of the amounts charged to cover the depreciation upon property used for general purposes.

The carrier's records shall be kept in such manner that charges for depreciation may be shown separately for each class of property as classified in the classification of investment in trunk-line property.

264. RETIREMENTS.

This account shall include amounts necessary to adjust the difference between the ledger value (less salvage) of trunk-line property retired and the amount of accrued depreciation charged on account of such property to the date of its retirement.

It shall also include an equitable proportion of amounts necessary to adjust the difference between the ledger value (less salvage) of property used for general purposes retired and the amount of accrued depreciation charged on account of such property to the date of its retirement.

In this account shall also be included the cost of demolishing the retired property when demolished by or for the accounting company.

The carrier's records shall be kept in such manner that the charges for retirements may be shown separately for each class of property as classified in the classification of investment in trunk-line property.

NOTE.—Retirement charges on account of property destroyed by fire shall be included in account No. 288, "Fire losses."

II. TRANSPORTATION.**271. SUPERINTENDENCE.**

This account shall include the pay of superintendents in charge of trunk-line transportation service; the pay of their assistants, clerks, and attendants; and an equitable proportion of the salaries of officers engaged in trunk-line transportation service who are also engaged in work for the benefit of other departments, together with an equitable proportion of the pay of their assistants, clerks, and attendants.

This account shall also include the office expenses, or an equitable proportion thereof, of officers or employees whose pay is included in this account.

Office expenses include items such as rent and repairs of rented offices, and the cost of heat, light, postage, stationery, and printing.

272. OPERATION OF TRUNK LINES.

This account shall include the pay of gaugers and assistants, of line walkers, and of others engaged in operating oil-pipe lines, and the cost of supplies furnished to and incidental expenses of such employees, including railway fares of line walkers.

273. OPERATION OF PUMPING STATIONS.

This account shall include the pay of engineers, firemen, and others employed in the operation of trunk-line pumping stations; cost of fuel, lubricants, packing, waste, machine oil, gaskets, compound, and other supplies for operating pumps, boilers, and electric or other lighting apparatus used in connection with trunk-line pumping stations; cost of steam and water bought; cleaning station buildings and grounds; and all other expenses incurred in connection with the operation of trunk-line pumping stations.

274. OPERATION OF OIL TANKS.

This account shall include the pay of tank tenders and other employees engaged in the operation of oil tanks, the cost of supplies used, and other expenses incurred in the operation of oil tanks.

275. OPERATION OF DELIVERY FACILITIES.

This account shall include the pay of engineers, gaugers, testers, car loaders, and other employees engaged in the operation of delivery facilities, and supplies used and expenses incurred in connection therewith.

276. OPERATION OF TELEGRAPH AND TELEPHONE LINES.

This account shall include the pay of operators and messengers; the cost of chemicals, coppers, zincs, and other supplies for charging batteries; rent of telegraph and telephone offices, and fuel, light, and other supplies therefor; expenses incident to the use of conduits, lines, and poles of other companies; and other expenses in connection with the operation of telegraph and telephone lines.

277. OIL SHORTAGE.

This account shall include the amounts paid for oil and oil products lost, except by fire, in the course of transportation or during storage.

NOTE.—Losses on account of destruction of oil and oil products by fire are provided for in account No. 288, "Fire losses."

278. OTHER EXPENSES.

This account shall include all expenses in connection with transportation that are not properly chargeable to other transportation accounts.

III. GENERAL.

281. GENERAL OFFICE SALARIES.

This account shall include the salaries of general officers directly in charge both of maintenance and operation of trunk lines, including the pay of their assistants, clerks, and attendants. It shall also include an equitable proportion of the salaries of general officers engaged in administration of trunk-line and other departments, together with an equitable proportion of the salaries of their assistants, clerks, and attendants.

282. GENERAL OFFICE SUPPLIES AND EXPENSES.

This account shall include the office, traveling, and other expenses of officers and employees whose salaries are includible in account No. 281, "General office salaries," or an equitable proportion thereof, including the cost of supplies for automobiles and keep of horses used by such officers and employees; cost of atlases, directories, periodicals, and other publications for office use; telephone and messenger service; express charges; telegraph and cable tolls; and other analogous items.

283. LAW EXPENSES.

This account shall include the pay and expenses of general attorneys, counsel, solicitors, and attorneys, their clerks and attendants, and expenses of their offices; cost of law books, printing of legal documents, recording documents and securing abstracts of records; fees and retainers of attorneys, payments to arbitrators, costs of suits, witness or other fees, and all law and court expenses not provided for elsewhere. Law expenses incurred for more than one department shall be equitably apportioned.

284. INJURIES TO PERSONS.

This account shall include all expenses (other than law expenses) on account of persons killed or injured in the operation of trunk-line systems, including the pay and expenses of claim agents, investigators, and adjusters, medical and hospital fees and expenses, funeral expenses, payments in settlement of claims for personal injuries, and wages paid disabled employees while off duty.

285. DAMAGE TO PROPERTY.

This account shall include amounts paid for damage to the property of others (except oil lost) on account of bursting of pipes or by other occurrences incident to the operation and maintenance of trunk lines, including amounts paid under court judgments or in compromise of actions.

286. STATIONERY AND PRINTING.

This account shall include postage, stationery, and stationery supplies used in offices of officers whose salaries are includible in account No. 281, "General office salaries," not chargeable to other accounts; cost of printing reports, blanks, etc.; also, cost of stationery and printing for the law department, except cost of printing briefs, legal forms, testimony, reports, etc., used in legal proceedings.

287. INSURANCE.

This account shall include premiums (except reinsurance premiums) for insuring the accounting company against loss through injuries to persons or damage to or destruction or loss of property, whether caused by fire, accident, or other cause, when such loss to the accounting company would be chargeable to trunk-line operations; also, premiums on fidelity bonds of employees whose pay is chargeable to the accounts of this classification.

288. FIRE LOSSES.

This account shall include payments on account of damage by fire to oil in transit or in storage for which the accounting company is responsible; also, the cost of repairing damage to the accounting company's property when caused by fire and the cost (less salvage and accrued depreciation) of fixed improvements and equipment destroyed by fire.

To this account shall be credited insurance recovered on account of losses chargeable to this account.

289. OTHER EXPENSES.

This account shall include all general operating expenses not properly chargeable to other general expense accounts for trunk lines.