

1951

Uniform system of accounts prescribed for natural gas companies subject to the provisions of the Natural Gas Act, effective January 1, 1940 with amendments effective January 1, 1951

United States. Federal Power Commission

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FEDERAL POWER COMMISSION

UNIFORM SYSTEM OF ACCOUNTS

PRESCRIBED FOR

NATURAL GAS COMPANIES

SUBJECT TO THE PROVISIONS OF

THE NATURAL GAS ACT



EFFECTIVE JANUARY 1, 1940
WITH AMENDMENTS
EFFECTIVE JANUARY 1, 1951

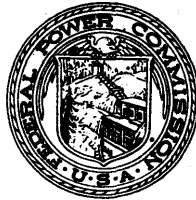
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FEDERAL POWER COMMISSION

Order No. 69

(Adopted November 3, 1939)

PREScribing A SYSTEM OF ACCOUNTS FOR NATURAL GAS COMPANIES UNDER THE NATURAL GAS ACT

It appearing to the Commission that:

(a) Section 8 (a) of the Natural Gas Act authorizes the Commission to prescribe a system of accounts to be kept by natural gas companies and to classify such natural gas companies and prescribe a system of accounts for each class;

(b) Copies of a tentative draft, dated May 15, 1939, of a uniform system of accounts to be prescribed for natural gas companies subject to the provisions of the Natural Gas Act, were, on June 20, 1939, sent by the Commission to State commissions, natural gas companies, and other interested persons and organizations, and comments and suggestions with respect thereto were requested to be filed with the Commission on or before July 10, 1939;

(c) The Commission received comments and suggestions with respect to said tentative draft from certain State commissions, natural gas companies, and others;

(d) On September 6, 1939, the Commission adopted an order in Docket No. G-137 fixing September 27, 1939, as a date for hearing for the purpose of receiving evidence with respect to the adoption of the proposed uniform system of accounts for natural gas companies from any State commission, natural gas company, or person, corporation, or organization having an interest in the matter;

(e) Said order of September 6, 1939, was sent by the Commission to State commissions, persons engaged in the natural gas business, and other persons and organizations, and a copy thereof was duly published in the Federal Register in the issue of September 12, 1939;

(f) A public hearing in this matter was held on September 27 and 28, 1939, before the Commission sitting *en banc*, and oral and documentary evidence was duly received from the Commission's staff, State commissions, a committee representing the American Gas Association, representatives of the natural gas industry and others; and memorandum briefs were subsequently filed by representatives of the natural gas industry pursuant to permission granted at said hearing.

The Commission, having considered the record made in this proceeding by oral and documentary evidence and briefs filed, and acting pursuant to authority granted by the Natural Gas Act (52 Stat. 821), particularly sections 8 (a), 10 (a), and 16 thereof, and finding such action necessary and appropriate for carrying out the provisions of said act, orders that:

(A) The accompanying system of accounts, entitled "Uniform System of Accounts Prescribed for Natural Gas Companies Subject to the Provisions of the Natural Gas Act," and the rules and regulations contained therein, be and they are hereby adopted;

(B) Said system of accounts and said rules and regulations contained therein be and the same are hereby prescribed and promulgated as the system of accounts and rules and regulations of the Commission to be kept and observed by natural gas companies subject to the jurisdiction of the Commission, to the extent and in the manner set forth therein;

(C) Said system of accounts and rules and regulations therein contained shall, as to all natural gas companies now subject to the jurisdiction of the Commission, become effective on January 1, 1940, and as to any natural gas company which may hereafter become subject to the jurisdiction of the Commission, they shall become effective as of the date when such natural gas company becomes subject to the jurisdiction of the Commission;

(D) A copy of said system of accounts and rules and regulations contained therein be forthwith served upon each person which may be subject to the jurisdiction of the Commission under the Natural Gas Act;

(E) The Secretary of the Commission shall cause this order and the system of accounts prescribed thereby to be forthwith published in the Federal Register.

By the Commission.

LEON M. FUQUAY,
Secretary.

FEDERAL POWER COMMISSION

Order No. 155

(Adopted August 22, 1950)

**AMENDING THE COMMISSION'S
GENERAL RULES AND REGULATIONS**

(Text of Order Omitted)

The Commission's Order No. 155, 15 FR 6649 adopted August 22, 1950, to become effective January 1, 1951, amends Part 201 - Uniform System of Accounts for Natural Gas Companies, and Part 204 - Application of Uniform System of Accounts to Class C and Class D Natural Gas Companies, which are codified in Code of Federal Regulations (CFR), under Title 18 - Conservation of Power, Chapter 1 - Federal Power Commission, Subchapter F - Accounts, Natural Gas Companies.

UNIFORM SYSTEM OF ACCOUNTS FOR NATURAL GAS COMPANIES

ABSTRACTS FROM NATURAL GAS ACT (52 STAT. 821)

AUTHORITY UNDER WHICH ACCOUNTING RULES AND REGULATIONS ARE PRESCRIBED

Sec. 8. (a) Every natural-gas company shall make, keep, and preserve for such periods, such accounts, records of cost-accounting procedures, correspondence, memoranda, papers, books, and other records as the Commission may by rules and regulations prescribe as necessary or appropriate for purposes of the administration of this act; *Provided, however,* That nothing in this act shall relieve any such natural-gas company from keeping any accounts, memoranda, or records which such natural-gas company may be required to keep by or under authority of the laws of any State. The Commission may prescribe a system of accounts to be kept by such natural-gas companies, and may classify such natural-gas companies and prescribe a system of accounts for each class. The Commission, after notice and opportunity for hearing, may determine by order the accounts in which particular outlays or receipts shall be entered, charged, or credited. The burden of proof to justify every accounting entry questioned by the Commission shall be on the person making, authorizing, or requiring such entry, and the Commission may suspend a charge or credit pending submission of satisfactory proof in support thereof.

Sec. 10. (a) Every natural-gas company shall file with the Commission such annual and other periodic or special reports as the Commission may by rules and regulations or order prescribe as necessary or appropriate to assist the Commission in the proper administration of this act. The Commission may prescribe the manner and form in which such reports shall be made, and require from such natural-gas companies specific answers to all questions upon which the Commission may need information. The Commission may require that such reports shall include, among other things, full information as to assets and liabilities, capitalization, investment and reduction thereof, gross receipts, interest due and paid, depreciation, amortization, and other reserves, cost of facilities, cost of maintenance and operation of facilities for the production, transportation, or sale of natural gas, cost of renewal and replacement of such facilities, transportation, delivery, use, and sale of natural gas. The Commission may require any such natural-gas company to make adequate provision for currently determining such costs and other facts. Such reports shall be made under oath unless the Commission otherwise specifies.

Sec. 16. The Commission shall have power to perform any and all acts, and to prescribe, issue, make, amend, and rescind such orders, rules, and regulations as it may find necessary or appropriate to carry out the provisions of this act. Among other things, such rules and regulations may define accounting, technical, and trade terms used in this act; and may prescribe the form or forms of all statements, declarations, applications, and reports to be filed with the Commission, the information which they shall contain, and the time within which they shall be filed. Unless a different date is specified therein, rules and regulations of the Commission shall be effective thirty days after publication in the manner which the Commission shall prescribe. Orders of the Commission shall be effective on the date and in the manner which the Commission shall prescribe. For the purposes of its rules and regulations, the Commission may classify persons and matters within its jurisdiction and prescribe different requirements for different classes of persons or matters. All rules and regulations of the Commission shall be filed with its secretary and shall be kept open in convenient form for public inspection and examination during reasonable business hours.

DEFINITIONS

SEC. 2. When used in this act, unless the context otherwise requires—

- (1) "Person" includes an individual or a corporation.
- (2) "Corporation" includes any corporation, joint-stock company, partnership, association, business trust, organized group of persons, whether incorporated or not, receiver or receivers, trustee or trustees of any of the foregoing, but shall not include municipalities as hereinafter defined.
- (3) "Municipality" means a city, county, or other political subdivision or agency of a State.
- (5) "Natural gas" means either natural gas unmixed, or any mixture of natural and artificial gas.
- (6) "Natural-gas company" means a person engaged in the transportation of natural gas in interstate commerce, or the sale in interstate commerce of such gas for resale.
- (7) "Interstate commerce" means commerce between any point in a State and any point outside thereof, or between points within the same State but through any place outside thereof, but only insofar as such commerce takes place within the United States.

ASCERTAINMENT OF COST OF PROPERTY

SEC. 6. (a) The Commission may investigate and ascertain the actual legitimate cost of the property of every natural-gas company, the depreciation therein, and, when found necessary for rate-making purposes, other facts which bear on the determination of such cost or depreciation and the fair value of such property.

(b) Every natural-gas company upon request shall file with the Commission an inventory of all or any part of its property and a statement of the original cost thereof, and shall keep the Commission informed regarding the cost of all additions, betterments, extensions, and new construction.

ENFORCEMENT AND PENALTY PROVISIONS

SEC. 20. (a) Whenever it shall appear to the Commission that any person is engaged or about to engage in any acts or practices which constitute or will constitute a violation of the provisions of this act, or of any rule, regulation, or order thereunder, it may in its discretion bring an action in the proper district court of the United States, the District Court of the United States for the District of Columbia, or the United States courts of any Territory or other place subject to the jurisdiction of the United States, to enjoin such acts or practices and to enforce compliance with this act or any rule, regulation, or order thereunder, and upon a proper showing a permanent or temporary injunction or decree or restraining order shall be granted without bond. The Commission may transmit such evidence as may be available concerning such acts or practices or concerning apparent violations of the Federal antitrust laws to the Attorney General, who, in his discretion, may institute the necessary criminal proceedings.

(b) Upon application of the Commission the district courts of the United States, the District Court of the United States for the District of Columbia, and the United States courts of any Territory or other place subject to the jurisdiction of the United States shall have jurisdiction to issue writs of mandamus commanding any person to comply with the provisions of this act or any rule, regulation, or order of the Commission thereunder.

SEC. 21. (a) Any person who willfully and knowingly does or causes or suffers to be done any act, matter, or thing in this act prohibited or declared to be unlawful, or who willfully and knowingly omits or fails to do any act, matter, or thing in this act required to be done, or willfully and knowingly causes or suffers such omission or failure, shall, upon conviction thereof, be punished by a fine of not more than \$5,000 or by imprisonment for not more than two years, or both.

(b) Any person who willfully and knowingly violates any rule, regulation, restriction, condition, or order made or imposed by the Commission under authority of this act, shall, in addition to any other penalties provided by law, be punished upon conviction thereof by a fine of not exceeding \$500 for each and every day during which such offense occurs.

DEFINITIONS

When used in this system of accounts:

1. "Accounts" means the accounts prescribed in this system of accounts.

2. "Actually issued", as applied to securities issued or assumed by the utility, means those which have been sold to *bona-fide* purchasers for a valuable consideration (including those issued in exchange for other securities or other property); also securities issued as dividends on stock, and those which have been issued in accordance with contractual requirements direct to trustees of sinking funds.

3. "Actually outstanding", as applied to securities issued or assumed by the utility, means those which have been actually issued and are neither retired nor held by or for the utility; provided, however, that securities held by trustees shall be considered as actually outstanding.

4. "Amortization" means the gradual extinguishment of an amount in an account by prorating such amount over a fixed period, over the life of the asset or liability to which it applies, or over the period during which it is anticipated the benefit will be realized.

5. A. "Associated companies" means companies or persons that, directly or indirectly, through one or more intermediaries, control, or are controlled by, or are under common control with, the accounting company.

B. "Control" (including the terms "controlling", "controlled by", and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a company, whether such power is exercised through one or more intermediary companies, or alone, or in conjunction with, or pursuant to an agreement, and whether such power is established through a majority or minority ownership or voting of securities, common directors, officers, or stockholders, voting trusts, holding trusts, associated companies, contract or any other direct or indirect means.

6. "Book cost" means the amount at which property is recorded in these accounts without deduction of related reserves or other accounts. As applied to gas plant, "book cost" means the amount at which property is included in account 100.6 or in accounts 100.1 to 100.4.

7. "Buildings." (See Gas plant instruction 10.)

8. "Commission" means the Federal Power Commission.

9. "Construction cost, components of." (See Gas plant instruction 5.)

10. "Cost" means the amount of money actually paid for property or services or the cash value at the time of the transaction of any consideration other than money. (See, however, Gas plant instruction 3.)

11. "Cost of removal" means the cost of demolishing, dismantling, tearing down, or otherwise removing gas plant, including the cost of transportation and handling incidental thereto.

12. "Debt expense" means all expenses in connection with the issuance and initial sale of evidences of debt, such as fees for drafting mortgages and trust deeds; fees and taxes for issuing or recording evidences of debt; cost of engraving and printing bonds and certificates of indebtedness; fees paid trustees; specific costs of obtaining governmental authority; fees for legal services; fees and commissions paid underwriters, brokers, and salesmen for marketing such evidences of debt; fees and expenses of listing on exchanges; and other like costs.

13. "Depletion", as applied to natural gas producing land and land rights, means the loss in service value incurred in connection with the exhaustion of the natural resource in the course of service.

14. "Depreciation", as applied to depreciable gas plant, means the loss in service value not restored by current maintenance, incurred in connection with the consumption or prospective retirement of gas plant in the course of service from causes which are known to be in current operation and against which the utility is not protected by insurance. Among the causes to be given consideration are wear and tear, decay, action of the elements, inadequacy, obsolescence, changes in the art, changes in demand and requirements of public authorities, and, in the case of natural gas companies, the exhaustion of natural resources.

15. "Discount", as applied to the securities issued or assumed by the utility, means the excess of the par (stated value of no par stocks) or face value of the securities plus interest or dividends accrued at the date of the sale over the cash value of the consideration received from their sale.

16. "Distribution system." (See Gas plant instruction 16.)

17. "Equipment." (See Gas plant instruction 11.)

18. "Improvements." (See Gas plant instruction 10.)

19. "Investment advances" means advances, represented by notes or by book accounts only, with respect to which it is mutually agreed or intended between the creditor and debtor that they shall be settled by the issuance of capital stock or long-term obligations, or shall not be subject to current settlement.

20. "Land and land rights." (See Gas plant instruction 9.)

21. "Minor items of property" means the associated parts or items of which units of property are composed.

22. "Natural gas" means either natural gas unmixed, or any mixture of natural and artificial gas.

23. "Natural gas company" means a person engaged in the transportation of natural gas in interstate commerce, or the sale in interstate commerce of such gas for resale.

24. "Net book cost", when applied to gas plant means the book cost less related depreciation, amortization, and depletion reserves. When applied to other property, it means book cost less related reserves for loss in value.

25. "Net original cost", as applied to gas plant, means the original cost less related depreciation, amortization, and depletion reserves.

26. "Net salvage value" means the salvage value of property retired less the cost of removal.

27. "Nominally issued", as applied to securities issued or assumed by the utility, means those which have been signed, certified, or otherwise executed, and placed with the proper officer for sale and delivery,

or pledged, or otherwise placed in some special fund of the utility, but which have not been sold or issued direct to trustees of sinking funds in accordance with contractual requirements.

28. "Nominally outstanding", as applied to securities issued or assumed by the utility, means those which, after being actually issued have been reacquired by or for the utility under circumstances which require them to be considered as held alive and not retired; provided, however, that securities held by trustees shall be considered as actually outstanding.

29. "Original cost", as applied to gas plant, means the cost of such property to the person first devoting it to public service.

30. "Person" means an individual, a corporation, a partnership, an association, a joint-stock company, a business trust, or any organized group of persons, whether incorporated or not, or any receiver or trustee.

31. "Premium", as applied to the securities issued or assumed by the utility, means the excess of the cash value of the consideration received from their sale over the sum of their par (stated value of no par stocks) or face value and interest or dividends accrued at the date of sale.

32. "Property retired", as applied to gas plant, means property which has been removed, sold, abandoned, destroyed, or which for any cause has been withdrawn from gas service.

33. "Replacing" or "replacement", when not otherwise indicated in the context, means the construction or installation of gas plant in place of property retired, together with the removal of the property retired.

34. "Salvage value" means the amount received for property retired, less any expenses incurred in connection with the sale or in preparing the property for sale, or, if retained, the amount at which the material recoverable is chargeable to Account 131, Materials and Supplies, or other appropriate account.

35. "Service value" means the difference between original cost and the net salvage value of gas plant.

36. "Structures." (See Gas plant instruction 10.)

37. "Transmission system." (See Gas plant instruction 16.)

38. "Retirement units" means those items of gas plant which, when retired, with or without replacements, are accounted for by crediting the book cost thereof to the gas plant account in which included.

39. "Utility", as used herein and when not otherwise indicated in the context, means any natural gas company to which this system of accounts is applicable.

INSTRUCTIONS—GENERAL

1. Classification of Natural Gas Companies.

A. For the purpose of applying the system of accounts prescribed herein, natural gas companies are divided into four classes, as follows:

- CLASS A. Natural gas companies having either (1) annual gas operating revenues of \$750,000 or more, or (2) the original cost of whose gas plant amounts to \$4,000,000 or more. Such natural gas companies shall keep all the accounts prescribed herein which are applicable to their operations.
- CLASS B. Natural gas companies having annual gas operating revenues of more than \$250,000 but less than \$750,000 and the original cost of whose gas plant amounts to less than \$4,000,000. Such natural gas companies shall keep all the accounts prescribed herein which are applicable to their operations, except those operating expense accounts in which the letter B does not appear in the prefix.
- CLASS C. Natural gas companies having annual gas operating revenues of more than \$100,000 but not more than \$250,000. Such natural gas companies shall keep the accounts applicable to their operations which are prescribed in Appendix II.
- CLASS D. Natural gas companies having annual gas operating revenues of more than \$25,000 but not more than \$100,000. Such natural gas companies shall keep the accounts applicable to their operations which are prescribed in Appendix II.

B. The class to which any natural gas company belongs shall be determined by the average of its annual gas operating revenues for the last three consecutive years; provided, however, that if the original cost of gas utility plant amounts to \$4,000,000 at the end of any year, such natural gas company shall be classified as a Class A natural gas company for the succeeding year.

C. Any natural gas company may at its option adopt the system of accounts prescribed herein for any larger class of natural gas companies.

2. Records.

A. Each natural gas company shall so keep its books of account, and all other books, records, and memoranda which support in any way the entries in such books of account, as to be able to furnish readily full information as to any item included in any account. Each entry shall be supported by such detailed information as will permit a ready identification, analysis, and verification of all of the facts relevant thereto.

B. The books and records referred to herein include not only accounting records in a limited technical sense, but all other records such as minute books, stock books, reports, correspondence, memoranda, etc., which may be useful in developing the history of or facts regarding any transaction.

C. No natural gas company shall destroy any books or records which support entries to its accounts, unless the destruction thereof is permitted by rules and regulations of the Commission. Until rules and regulations have been issued by the Commission, each natural gas company may continue its existing practice with respect to the retention or destruction of records.

D. Subdivisions of any account in the system of accounts prescribed herein may be kept, provided that such subdivisions do not impair the integrity of the prescribed accounts. The titles of all such subdivisions or subaccounts shall refer by number or title to the account or accounts of which they are subdivisions.

E. Clearing accounts, in addition to those prescribed, and temporary or experimental accounts may be kept, provided such additional accounts do not impair the integrity of the prescribed accounts.

F. All charges to the accounts prescribed in this system for gas plant, operating revenues, and operating expenses shall be just and reasonable and any payments by a natural gas company in excess of just and reasonable charges shall be included in Account 538, Miscellaneous Income Deductions.

G. The numbers prefixed to account titles are to be considered as part of the titles. Each natural gas company may, however, adopt a different system of account numbers, provided that the numbers herein prescribed shall appear in the descriptive headings of the ledger accounts.

3. Accounting Period.

Each natural gas company shall keep its books on a monthly basis, so that for each month all transactions applicable thereto, as nearly as may be ascertained, shall be entered in the books of the natural gas company. Unless otherwise authorized by the Commission, each natural gas company shall close its books at the end of each calendar year.

4. Submission of Questions.

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

5. Items List, Interpretation of.

Lists of "items" appearing in the texts of the accounts or elsewhere herein are for the purpose of more clearly indicating the application of the prescribed accounting. The lists are intended to be representative, but not exhaustive. The appearance of an item in a list warrants the inclusion of the item in the account mentioned only when the text of the account also indicates inclusion, inasmuch as the same item frequently appears in more than one list. The proper entry in each instance must be determined by the texts of the accounts.

6. Delayed Items.

A. The term "delayed items" means items relating to transactions which occurred prior to the current calendar year but which were not recorded in the books of account in the prior year.

B. Delayed items shall be charged or credited to the same accounts which would have been charged or credited if the items had not been delayed; provided, that when the amount of a delayed item is relatively so large that its inclusion in the accounts for a single month would seriously distort the accounts, it may be distributed in equal amounts to the accounts for the current and remaining months of the calendar year; and provided further, that if the amount of any delayed item is relatively so large that its inclusion in the accounts for a single year would seriously distort the accounts, the amount shall be distributed to the appropriate surplus account.

7. Unaudited Items.

When, at the end of any year or at such other time as a financial statement may be required by the Commission, it is known that a transaction has occurred which affects the accounts, but the amount involved in the transaction and its effect upon the accounts cannot be determined with absolute accuracy, then the amount shall be estimated and such estimated amount included in the proper accounts. The natural gas company is not required to anticipate minor items which would not appreciably affect the accounts.

8. Transactions with Associated Companies.

Each natural gas company shall so keep its accounts and records as to be able to furnish accurately and expeditiously a statement of all transactions with associated companies. The statement may be required to show the general nature of the transactions, the amounts involved therein, and the amounts included in each account prescribed herein with respect to such transactions. Transactions with associated companies shall be recorded in the appropriate accounts for transactions of the same nature; provided, however, that charges by associated companies shall first be entered, if necessary, in Account 901, Charges by Associated Companies—Clearing. Nothing herein contained, however, shall be construed as restraining the utility from subdividing accounts for the purpose of recording separately transactions with associated companies.

9. Depreciation, and Amortization and Depletion Accounting.

Each natural gas company shall record as of the end of each month the estimated amount of depreciation or amortization and depletion accrued during that month on gas plant subject to charges for depreciation or amortization and depletion. (See Account 503.1, Depreciation; Account 250.1, Reserve for Depreciation of Gas Plant; Account 503.2, Amortization and Depletion of Producing Natural Gas Land and Land Rights; and Account 250.2, Reserve for Amortization and Depletion of Producing Natural Gas Land and Land Rights.)

NOTE A.—Depreciation or amortization and depletion expenses applicable to property included in Account 100.2, Gas Plant Leased to Others, shall be charged to Account 508, Income from Gas Plant Leased to Others.

NOTE B.—Depreciation applicable to transportation equipment shall be charged to Account 903, Transportation Expenses—Clearing, and depreciation on general tools and work equipment used in construction work shall be charged to the work or job benefited. The natural gas company may, at its option, distribute depreciation on the latter items through a clearing account and it may also, at its option, charge to clearing accounts, insofar as applicable, depreciation on structures and equipment. (See, however, Gas plant instruction 5, item 5.)

10. Distribution of Pay and Expenses of Employees.

The charges to gas plant, operating expense, and other accounts for services and expenses of employees engaged in activities chargeable to various accounts, such as construction and operations, shall be based upon the actual time engaged in the respective classes of work, or in case that method is impracticable, upon the basis of a study of the time actually engaged during a representative period.

11. Records for Each Plant.

Separate records shall be maintained by gas plant accounts of the book cost of each plant owned or operated and the cost of operating and maintaining each plant. The term "plant", as here used, means

each gas production plant, each gathering system, each transmission main, and each compressor station other than distribution compressor station; provided, however, that the cost of operating and maintaining gas wells may be grouped to include all wells within one pool of gas. If a natural gas company operates more than one gathering system, or many transmission mains, or relatively small compressor stations, it may, with the approval of the Commission, group certain gathering systems, or certain transmission mains, or certain compressor stations for the purpose of complying with the portion of this instruction requiring a segregation of the cost of operating and maintaining each plant.

NOTE A.—Where gas is produced by two or more processes at one location, each process shall be accounted for separately.

NOTE B.—Each natural gas company shall maintain operating or accounting records for each well drilled showing (a) acreage on which drilled, (b) dates of drilling period, (c) cost of drilling, (d) depth of well, (e) particulars and depth of each stratum drilled through, (f) geological formation from which gas obtained, (g) initial rock pressure and open flow capacity, (h) sizes of casing used and the lengths of each size, (i) total cost of well as recorded in gas plant accounts, (j) date well abandoned, for wells once productive, and (k) date drilling discontinued, for wells determined to be non-productive. The foregoing data, as appropriate, shall also be maintained for each subsequent change in the depth of each well.

12. Accounting for Other Departments.

This system of accounts is designed for use by natural gas companies. If the natural gas company, in addition to its gas operations, operates other departments, it shall keep such accounts for the other departments as may be prescribed by proper authority, and in the absence of prescribed accounts, it shall keep such accounts as are proper or necessary to reflect the results of operating each such other department. It is not intended that proprietary and similar accounts which apply to the utility as a whole shall be departmentalized.

Instructions—Balance Sheet Accounts

1. Purpose of Balance Sheet Accounts.

The balance sheet accounts are intended to disclose the financial condition of the natural gas company as of a given date by showing its assets and other debits, and liabilities, capital stock, surplus (or deficit), and other credits.

2. Current and Accrued Assets.

A. Current and accrued assets are cash, those assets which are readily convertible into cash or are held for current use in operations or construction, current claims against others, payment of which is reasonably assured, and amounts accruing to the utility which are subject to current settlement, except such items for which accounts other than those designated as current and accrued assets are provided.

B. There shall not be included in the group of accounts designated as current and accrued assets any item, the amount or collectibility of which is not reasonably assured, unless an adequate reserve has been provided therefor. Items of current character but of doubtful value may be written down and for record purposes carried in these accounts at nominal value.

3. Current and Accrued Liabilities.

A. Current and accrued liabilities are those obligations which have either matured at the date of the balance sheet or which become due within 1 year from the date thereof; except, however, bonds, receivers' certificates, and similar obligations which shall be classified as long-term debt until date of maturity; accrued taxes, such as income taxes, which shall be classified in the balance sheet as accrued liabilities even though payable more than 1 year from the balance sheet date; compensation awards, which shall be classified as current liabilities regardless of date due; and minor amounts payable in installments which may be classified as current liabilities.

B. If a liability is due more than 1 year from date of issuance or assumption by the utility, it shall be credited to a long-term debt account appropriate for the transaction, except, however, the current liabilities mentioned in A, above; but, for the purpose of classification in the balance sheet, a debt, except bonds, receivers' certificates, and similar obligations, shall be classified as a current and accrued liability if due within 1 year from the balance sheet date.

4. Book Cost of Securities Owned.

A. Securities of others acquired by the utility shall be recorded in these accounts at cost at the time of acquisition. Cost does not include any amount paid for accrued interest, or dividends.

B. The utility may write down the book cost of any security in recognition of a decline in the value thereof. Securities shall be written off or written down to a nominal value if there be no reasonable prospect of substantial value. Fluctuations in market value shall not

be recorded, but a permanent impairment in the value of the securities shall be recognized in the accounts. When securities are written off or written down, the amount of the adjustment shall be charged to Account 538, Miscellaneous Income Deductions, or to Account 414, Miscellaneous Debits to Surplus, or to an appropriate reserve account.

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

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

5. Discount, Expense, and Premium on Capital Stock.

A. This system of accounts provides separate accounts for discount, expense, and premium on capital stock. These accounts shall be subdivided for each class and series of capital stock issued by the utility. Expenses applicable to capital stock shall not be added to capital stock discount nor deducted from premium on capital stock.

B. In stating the balance sheet, discount and expense and premium shall not be set off against each other.

C. General levies or assessments against stockholders shall be credited to the premium account for the particular class and series of capital stock so assessed.

D. Discount and expense on capital stock may be charged to Account 414, Miscellaneous Debits to Surplus, in total or in installments, or the amounts thereof may be retained in accounts 150 and 151 until the stock to which the discount and expense apply is reacquired or retired.

E. When capital stock which has been actually issued by the utility is reacquired or retired, Account 150, Discount on Capital Stock, and Account 151, Capital Stock Expense, shall be credited with any amounts included therein which are applicable to such stock, and Account 203, Premiums and Assessments on Capital Stock, shall be debited with the amount of any unamortized premium similarly included therein. Balance Sheet Account 152, Reacquired Capital Stock, or the appropriate capital stock account, if the stock is being retired, shall be debited with the par or stated value of the reacquired or retired stock (for no par stock without stated value the debit shall be the amount at which included in the capital stock account). Any difference remaining between the amounts of the foregoing debits and credits and the amount paid for the stock plus expenses

incurred in its reacquisition shall be debited or credited, as the case may be, to Account 270, Capital Surplus, unless, in the case of a debit, the amount thereof exceeds the net accumulated credit in Capital Surplus Account 270 arising from previous reacquisition or retirement of capital stock, in which event, the debit in excess of such accumulated credit shall be made to Account 414, Miscellaneous Debits to Surplus.

6. Discount, Expense, and Premium on Long-Term Debt.

A. A discount, expense, and premium account shall be maintained for each class and series of long-term debt (including receivers' certificates) issued or assumed by the utility, in which shall be recorded the discount, expense, and premium associated with the issuance and sale of each such class and series of debt.

B. In stating the balance sheet, the total of the debit balances remaining in those accounts having debit balances shall be reported under Account 140, Unamortized Debt Discount and Expense, and the total of the credit balances remaining in those accounts having credit balances shall be reported under Account 240, Unamortized Premium on Debt. Accounts with debit balances shall not be set off by accounts with credit balances.

C. The discount, expense, and premium referred to above shall be amortized over the life of the respective issues under such a plan as will equitably distribute the amounts over the life of the securities. The amortization shall be on a monthly basis, and the amounts thereof shall be charged to Account 531, Amortization of Debt Discount and Expense, or credited to Account 532, Amortization of Premium on Debt—Cr., as may be appropriate. The utility may, however, accelerate the writing off of discount and expense by charges to Account 414, Miscellaneous Debits to Surplus.

D. When any long-term debt is reacquired or redeemed without being converted into another form of long-term debt and when the transaction is not in connection with a refunding operation, the difference between the amount paid upon reacquirement and the par or face value plus the unamortized premium or less the unamortized discount and expense, as the case may be, applicable to the debt reacquired or redeemed, shall be debited to Account 414, Miscellaneous Debits to Surplus, or credited to Account 401, Miscellaneous Credits to Surplus, as appropriate.

E. When the redemption of one issue or series of bonds or other long-term obligations is financed by another issue or series before the date of maturity of the first issue, any unamortized discount, expense, or premium on the first issue and any premium paid or discount earned on reacquirement shall be debited or credited, as appropriate, to Account 414, Miscellaneous Debits to Surplus, or Account 401, Miscellaneous Credits to Surplus; provided, however, that if the utility desires to amortize any of the discount, expense, or premium associated with the issuance or redemption of the first issue over a period subsequent to the date of redemption, the permission of the Commission must be obtained.

F. Discount, expense, or premium on debt shall not be included as part of the cost of constructing or acquiring any property, tangible or intangible, except under the provisions of Gas plant instruction 5.

7. Contingent Assets and Liabilities.

Contingent assets represent a possible source of value to the utility contingent upon the fulfillment of conditions regarded as uncertain. Contingent liabilities include items which may, under certain conditions, become obligations of the utility but which are neither direct nor assumed liabilities at the date of the balance sheet. The utility shall be prepared to give a complete statement of contingent assets and liabilities (including cumulative dividends on preference stock) in its annual report and at such other times as may be requested by the Commission.

8. Company Securities Owned.

Securities actually issued or assumed by the company which have been reacquired shall be either retired or carried in Account 152, Reacquired Capital Stock, or Account 153, Reacquired Long-Term Debt, unless it is required by provision of a mortgage, or by decision of a trustee not subject to control by the accounting company, that they be retained alive in sinking or other funds. When so retained, they shall be considered as actually outstanding, but not otherwise.

9. Nominally Issued Securities.

A. Each utility shall maintain, in addition to the capital stock and bond accounts shown in the balance sheet, memorandum debit and credit accounts for securities which have been nominally, but not actually, issued.

B. When nonpar stock is nominally issued, the number of shares issued shall be shown in the memorandum accounts.

C. Subdivisions shall be maintained under the memorandum accounts for each class of security.

BALANCE SHEET ACCOUNTS

ASSETS AND OTHER DEBITS

I. UTILITY PLANT

- 100. Gas Plant.
- 107. Gas Plant Adjustments.
- 108. Other Utility Plant.

II. INVESTMENT AND FUND ACCOUNTS

- 110. Other Physical Property.
- 111. Investments in Associated Companies.
- 112. Other Investments.
- 113. Sinking Funds.
- 114. Miscellaneous Special Funds.

III. CURRENT AND ACCRUED ASSETS

- 120. Cash.
- 121. Special Deposits.
- 122. Working Funds.
- 123. Temporary Cash Investments.
- 124. Notes Receivable.
- 125. Accounts Receivable.
- 126. Receivables from Associated Companies.
- 127. Subscriptions to Capital Stock.
- 128. Interest and Dividends Receivable.
- 129. Rents Receivable.
- 130. Accrued Utility Revenues.
- 131. Materials and Supplies.
- 132. Prepayments.
- 133. Other Current and Accrued Assets.
- 134. **Gas Stored Underground**

IV. DEFERRED DEBITS

- 140. Unamortized Debt Discount and Expense.
- 141. Extraordinary Property Losses.
- 142.1 Preliminary Natural Gas Survey and Investigation Charges.
- 142.2 Other Preliminary Survey and Investigation Charges.
- 143. Clearing Accounts.
- 144. Retirement Work in Progress.
- 145. Other Work in Progress.
- 146. Other Deferred Debits.

V. CAPITAL STOCK DISCOUNT AND EXPENSE

- 150. Discount on Capital Stock.
- 151. Capital Stock Expense.

VI. REACQUIRED SECURITIES

- 152. Reacquired Capital Stock.
- 153. Reacquired Long-Term Debt.

LIABILITIES AND OTHER CREDITS**VII. CAPITAL STOCK**

- 200. Common Capital Stock.
- 201. Preferred Capital Stock.
- 202. Stock Liability for Conversion.
- 203. Premiums and Assessments on Capital Stock.
- 204. Capital Stock Subscribed.
- 205. Installments Received on Capital Stock.

VIII. LONG-TERM DEBT

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

IX. CURRENT AND ACCRUED LIABILITIES

- 220. Notes Payable.
- 221. Notes Receivable Discounted.
- 222. Accounts Payable.
- 223. Payables to Associated Companies.
- 224. Dividends Declared.
- 225. Matured Long-Term Debt.
- 226. Matured Interest.
- 227. Customers' Deposits.
- 228. Taxes Accrued.
- 229. Interest Accrued.
- 230. Other Current and Accrued Liabilities.

X. DEFERRED CREDITS

- 240. Unamortized Premium on Debt.
- 241. Customers' Advances for Construction.
- 242. Other Deferred Credits.

XI. RESERVES

- 250.1 Reserve for Depreciation of Gas Plant.
- 250.2 Reserve for Amortization and Depletion of Producing Natural Gas Land and Land Rights.
- 250.3 Reserve for Abandoned Leases.
- 251. Reserve for Amortization of Other Limited-Term Gas Investments.
- 252. Reserve for Amortization of Gas Plant Acquisition Adjustments.
- 253. Reserve for Depreciation and Amortization of Other Property.
- 254. Reserve for Uncollectible Accounts.
- 255. Insurance Reserve.
- 256. Injuries and Damages Reserve.
- 257. Employees' Provident Reserve.
- 258. Other Reserves.

XII. CONTRIBUTIONS IN AID OF CONSTRUCTION

- 265. Contributions in Aid of Construction.

XIII. SURPLUS

- 270. Capital Surplus.
- 271. Earned Surplus.

BALANCE SHEET ACCOUNTS

ASSETS AND OTHER DEBITS

I. UTILITY PLANT

100. Gas Plant.

There shall be reported by this caption the balances in accounts 100.1, 100.2, 100.3, 100.4, 100.5, and 100.6.

100.1 Gas Plant in Service.

A. This account shall include the original cost of gas plant, included in accounts 301 to 390, together with the amounts recorded in accounts 391 and 392, owned and used by the utility in its gas operations, including such property owned by the utility but held by nominees.

B. The cost of additions to and betterments of property leased from others shall be recorded in this account, but such cost shall be maintained in subdivisions entirely separate and distinct from those relating to owned property. (See Gas plant instruction 7.)

100.2 Gas Plant Leased to Others.

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

B. The property included in this account shall be classified according to the detailed accounts (301 to 392) for gas plant in service (account 100.1), and this account shall be maintained in such detail as though the property were used by the utility in its gas operations.

100.3 Construction Work in Progress.

This account shall include the total of the balances of work orders for gas plant in process of construction but not ready for service at the date of the balance sheet.

NOTE.—If a project, such as a gas production plant, is designed to consist of two or more units which may be placed in service at different dates, any expenditures which are common to and which will be used in the operation of the project as a whole shall be included in gas plant in service upon the completion and the readiness for service of the first unit. Any expenditures which are identified exclusively with units of property not yet in service shall be included in this account.

100.4 Gas Plant Held for Future Use.

A. This account shall include the original cost of property owned and held for use in gas service under a definite plan for such use. There shall be included herein property acquired but never used by the utility in gas service, but held for such service in the future under a definite plan, and property previously used by the utility in gas service, but retired from such service and held pending its reuse in the future, under a definite plan, in gas service. This includes land and land rights held to insure a future supply of natural gas. (See Gas plant instruction 9-1.)

B. The property included in this account shall be classified according to the detailed accounts (301 to 392) for gas plant in service and the account shall be maintained in such manner and in such detail as though the property were in service.

NOTE A.—Materials and supplies, meters, and house regulators held in reserve shall not be included in this account.

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

100.5 Gas Plant Acquisition Adjustments.

A. This account shall include the difference between (a) the cost to the accounting utility of gas plant acquired as an operating unit or system by purchase, merger, consolidation, liquidation, or otherwise, and (b) the original cost, estimated if not known, of such property, less the amount or amounts which may be credited to the depreciation, and amortization and depletion reserves of the accounting utility at the time of acquisition with respect to such property. The account shall be so subdivided, when practicable, as to show the amounts applicable to gas plant in service, gas plant leased to others, and gas plant held for future use. (See Gas plant instructions 2, 3, and 4.)

B. Whenever practicable, this account shall be subdivided according to the character of the amounts included herein for each property acquisition.

C. The amounts recorded in this account with respect to each property acquisition shall be depreciated, amortized, or otherwise disposed of, as the Commission may approve or direct.

100.6 Gas Plant in Process of Reclassification.

A. There shall be closed to this account the book cost of gas plant (formerly called "fixed capital" in many systems of accounts) as of the effective date hereof. The detail or primary accounts in support of this account employed prior to such date shall be continued pending reclassification into the gas plant accounts herein prescribed (301-392), but shall not be used for additions, betterments, or new construction.

B. No charges other than as provided in paragraph A above shall be made to this account, but retirements of gas plant owned as of the effective date hereof shall be credited hereto and to the supporting (old) fixed capital accounts until the reclassification shall have been accomplished.

107. Gas Plant Adjustments.

A. This account shall include the difference between the original cost, estimated if not known, and the book cost of gas plant, at the effective date of this system of accounts, to the extent that such difference is not properly includible in Account 100.5, "Gas Plant Acquisition Adjustments. Write-ups of gas plant prior to the effective date of this system of accounts shall be recorded herein.

B. The amounts included in this account shall be classified in such manner as to show the nature of each amount included herein and shall be disposed of as the Commission may approve or direct.

NOTE.—The provisions of this account shall not be construed as approving or authorizing the recording of appreciation of gas plant.

108. Other Utility Plant.

There shall be included under this caption the balances in accounts for utility plant, other than gas plant, such as water, railway, etc.

II. INVESTMENT AND FUND ACCOUNTS**110. Other Physical Property.**

A. This account shall include the cost to the utility of land, structures, and equipment owned by the utility, but not used in gas service and not properly includible in Account 100.4, Gas Plant Held for Future Use, or in Account 108, Other Utility Plant.

B. The records supporting the entries to this account shall be so kept that the utility can furnish information as to the nature and cost of each kind of property, from whom it was acquired, its location, and its use.

111. Investments in Associated Companies.

There shall be reported by this caption the amounts included in accounts 111.1 and 111.2.

111.1 Investments in Securities of Associated Companies.

A. This account shall include the book cost of the utility's investment in securities issued or assumed by associated companies and held as permanent or long-term investments.

B. The account shall be maintained in such manner as to show each class of investment in each associated company.

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

111.2 Advances to Associated Companies.

A. This account shall include the amount of investment advances to associated companies and interest accrued on such advances when such interest is not subject to current settlement. (See Account 126, Receivables from Associated Companies.)

B. The account shall be maintained in such manner as to show the advances to each associated company.

NOTE A.—Balances in open accounts with associated companies which are subject to current settlement shall be excluded from this account and included in Account 126.2, Accounts Receivable from Associated Companies.

NOTE B.—Advances made to associated companies without expectation of reimbursement shall be charged to Account 538, Miscellaneous Income Deductions.

112. Other Investments.

A. This account shall include the book cost of the utility's investment in securities issued or assumed by nonassociated companies, investment advances to such companies, and any investments not accounted for elsewhere. Securities held as temporary cash investments shall not be included in this account.

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

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

113. Sinking Funds.

This account shall include the assets held in sinking funds. A separate account, with appropriate title, shall be kept for each sinking fund.

NOTE.—Nothing herein contained shall be construed as preventing a utility from transferring applicable sinking or other funds to Account 121.3, Miscellaneous Special Deposits, for the purpose of paying matured sinking fund obligations, or obligations called for redemption but not presented, or the interest thereon.

114. Miscellaneous Special Funds.

There shall be reported by this caption the amounts included in accounts 114.1 and 114.2.

114.1 Depreciation Fund.

This account shall include the assets which have been segregated in a special fund for the purpose of identifying such assets with the reserve for depreciation.

114.2 Other Special Funds.

This account shall include assets which have been segregated in special funds for insurance, employees' pensions, savings, relief, hospital, and other purposes not provided for elsewhere. A separate account, with appropriate title, shall be kept for each fund.

NOTE.—Amounts deposited with a trustee under the terms of an irrevocable trust agreement for pensions or other employees' benefits shall not be included in this account.

III. CURRENT AND ACCRUED ASSETS**120. Cash.**

This account shall include the utility's current cash funds except working funds. (See Account 122, Working Funds.)

121. Special Deposits.

There shall be reported by this caption the amounts included in accounts 121.1, 121.2, and 121.3.

121.1 Interest Special Deposits.

Special deposits with fiscal agents or others for the payment of interest shall be charged to this account. When interest is paid from the deposits the amount shall be credited to this account and charged to the appropriate accrued interest account.

121.2 Dividend Special Deposits.

Special deposits with fiscal agents and others for the payment of dividends on behalf of the utility shall be charged to this account. When dividends are paid from these deposits, the amount thereof shall be credited to this account and charged to the appropriate dividends payable account.

121.3 Miscellaneous Special Deposits.

Special deposits with fiscal agents or others for special purposes other than the payment of interest and dividends shall be charged to this account. Such special deposits may include cash deposited with Federal, State, or municipal authorities as a guaranty for the fulfillment of obligations; cash deposited with trustees to be held until mortgaged property sold, destroyed, or otherwise disposed of, is replaced; and also cash realized from the sale of the accounting

utility's securities and deposited with trustees to be held until invested in property of the utility, etc. When the purposes of such deposits are satisfied and the deposits are released, this account shall be credited with the amount released. Entries to this account shall specify the purpose for which the deposit is made.

NOTE A.—The foregoing special deposit accounts shall not include any assets available for general purposes.

NOTE B.—Deposits for more than one year not offset by current liabilities shall not be charged to this account but to Account 112, Other Investments.

122. Working Funds.

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

123. Temporary Cash Investments.

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

B. This account shall be so maintained as to show:

Temporary Cash Investments—Associated Companies.

Temporary Cash Investments—Other.

Note.—If any of the temporary investments are pledged, proper record of such pledged investments shall be kept.

124. Notes Receivable.

This account shall include the book cost, not includible elsewhere, of all collectible obligations in the form of notes receivable and similar evidences (except interest coupons) of money due on demand or within one year from the date of issue.

NOTE A.—This account shall not include notes receivable from associated companies. (See Account 126.1, Notes Receivable from Associated Companies.)

NOTE B.—The amount of notes receivable discounted, sold or transferred, unless transferred without recourse, shall not be credited to this account but to Account 221, Notes Receivable Discounted.

125. Accounts Receivable.

There shall be reported by this caption the balances in accounts 125.1 and 125.2.

125.1 Accounts Receivable—Customers.

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

B. This account shall be kept in such manner as to permit the ascertainment within a reasonable time of the amounts due for each utility service, including merchandising, jobbing, and contract work as a separate service.

125.2 Other Accounts Receivable.

A. This account shall include amounts owing the utility upon the accounts with concerns or individuals, other than associated companies, and customers for utility services and for merchandising, jobbing, and contract work.

B. This account shall be maintained in such manner as to show separately the amounts due from officers and employees, but the account shall not include amounts advanced to officers or others as working funds. (See Account 122, Working Funds.)

126. Receivables from Associated Companies.

A. This account shall include the debit balances subject to current settlement in open accounts with associated companies, and notes and drafts upon which associated companies are liable and which mature and are expected to be paid in full not later than one year from date of issuance, together with interest thereon. Items which do not bear a specified due date but which have been carried for more than 90 days and items which are not paid within 90 days from due date shall be transferred to Account 111, Investments in Associated Companies.

B. This account shall be subdivided as follows:

126.1 Notes Receivable from Associated Companies.

126.2 Accounts Receivable from Associated Companies.

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

NOTE B.—The face amount of notes receivable discounted or sold without releasing the company from liability as endorser thereon, shall not be credited to this account, but to Account 221, Notes Receivable Discounted.

127. Subscriptions to Capital Stock.

A. This account shall include the balance due from subscribers upon legally enforceable subscriptions to capital stock of the utility.

B. The amount of each subscription shall be charged to this account at the time the subscription is accepted, and concurrently there shall be credited to Account 204, Capital Stock Subscribed, the par value, in the case of stock having par value, and the stated value, in the case of stock without par value, of the stock subscribed. The difference, if any, between the above amounts shall be debited or credited, as appropriate, to Account 150, Discount on Capital Stock, or Account 203, Premiums and Assessments on Capital Stock. If nonpar stock has no stated value, the entire subscription price shall be credited to Account 204, Capital Stock Subscribed.

128. Interest and Dividends Receivable.

This account shall include the amount of interest on bonds, mortgages, notes, commercial paper, loans, open accounts, deposits, etc., and the amount of dividends receivable on stocks owned.

NOTE A.—Interest and dividends receivable from associated companies shall be included in Account 126.2, Accounts Receivable from Associated Companies.

NOTE B.—Interest which is not subject to current settlement shall be included in the account in which is carried the principal on which the interest is accrued.

129. Rents Receivable.

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

NOTE.—Rents receivable from associated companies shall be included in Account 126.2, Accounts Receivable from Associated Companies.

130. Accrued Utility Revenues.

This account may include the estimated amount accrued to the utility for service rendered, but not billed, as of the end of any accounting period. (The use of this account is optional.)

NOTE.—In case the utility accrues unbilled revenues, it shall likewise accrue unbilled expenses, such as for the purchase of gas.

131. Materials and Supplies.

There shall be reported under this caption the total of the amounts in accounts 131.1 and 131.2.

131.1 Materials and Supplies—Gas.

A. This account shall include the cost of unissued small tools and unapplied materials and supplies (including fuel) held primarily for use in the gas business. The cost shall include, when practicable, the purchase price at the point of free delivery, plus customs duties, excise and other taxes on purchases, insurance, costs of inspection, special tests prior to acceptance, loading and unloading, transportation, and other directly assignable charges.

B. Inward transportation charges for materials as far as practicable shall be included as a part of the cost of the particular material to which they relate. When not so included, they shall be charged to Account 902, Stores Expenses—Clearing.

C. Cash or other discounts on materials shall be deducted, when practicable, in determining the cost of the particular material, or credited to the account to which the material is charged. Discounts which are not so handled shall be credited to Account 902, Stores Expenses—Clearing.

D. Materials recovered in connection with construction, maintenance, or the retirement of property shall be charged to this account as follows:

(1) Reusable materials consisting of large individual items shall be included in this account at original cost, estimated if not known, except that stores loading and similar costs shall not be duplicated. The cost of repairing such items shall be charged to the account appropriate for the previous use. (See also Gas plant instruction 5, item 5.)

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

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

E. Inventories of materials, supplies, fuel, etc., shall be taken at least annually and the necessary adjustments shall be made to bring this account into harmony with the actual inventories. In effecting the adjustments, large differences which can be assigned to important classes of materials shall be equitably adjusted among the accounts to which such classes of materials have been charged since the previous inventory. Other differences shall be equitably apportioned among the accounts to which materials have been charged, or included in Account 902, Stores Expenses—Clearing.

NOTE A.—Interest on material bills, the payment of which has been delayed, shall be charged to Account 535, Other Interest Charges.

NOTE B.—There shall not be included in this account materials, supplies, and equipment held primarily for merchandising, jobbing, and contract work or for use in departments other than the gas department. (See account 131.2.)

131.2 Materials and Supplies—Other.

This account shall include the cost of all materials and supplies held primarily for merchandising, jobbing, and contract work or for use in departments other than the gas department.

132. Prepayments.

This account shall include amounts representing prepayments of insurance, rents, taxes, interest, and miscellaneous items, and shall be kept or supported in such manner as to disclose the amount of each class of prepayments.

133. Other Current and Accrued Assets.

A. This account shall include current and accrued assets of the general nature defined in accounts 120 to 132, inclusive, but not properly includible in any of those accounts.

B. The records supporting the entries to this account shall be so kept as to show the nature of each class of assets included herein.

134. Gas Stored Underground.

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

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

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

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

a significant change occurs in the cost of gas, the full effect of such change shall be reflected for the period after the change is effective.

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

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

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

C. Withdrawals of gas may be priced according to the first-in-first-out, last-in-first-out, or weighted average-cost method, in connection with which a "base stock" may be employed for "cushion gas," provided the method adopted by the utility is used consistently from year to year and the inventory records are maintained in accordance therewith (See paragraph F concerning non-current portion of stored gas inventory). Approval of the Commission must be obtained for any other pricing method, or change in the pricing method adopted by the utility.

D. If the gas of any storage project is withdrawn below the amount put in storage, encroaching upon native gas constituting the "gas cushion" of the storage reservoirs, and such gas is to be replaced within twelve months, it is permissible to price such native gas withdrawn at the estimated cost of replacement with purchased gas, and to record a deferred credit therefor. For the purposes of this instruction, Gas Withdrawn from Storage--Debit, Account 747.1, should be charged with the estimated cost of such replacement gas and Account 242, Other Deferred Credits, credited. When replacement of the gas is made, the amount in Account 242 should be cleared and Account 134, Gas Stored Underground, credited. This accounting will not affect normal

accounting for inputs and withdrawals of gas from storage. The permission granted herein is not applicable, where the "cushion gas" is not native gas present when the reservoir was converted to storage use.

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

F. As of the balance sheet date this account shall be segregated so that there shall be retained in this account only such amount as represents cost of gas appropriately classifiable as a current asset according to conventional rules of classification of current assets, not exceeding the estimated withdrawals of gas from storage for purposes of sale within the succeeding twenty-four month period from the date of the balance sheet. That portion of the stored gas in excess of the amount properly includible among current assets shall be classified in plant Account 344, Gas Stored Underground--Noncurrent. Entries to make this segregation shall be made at such times as necessary to prevent that portion of the stored gas inventory includible as a current asset from exceeding the limit specified above, provided, however, that it is not required that the entries be made for minor amounts. For all purposes other than balance sheet classification, Account 134, Gas Stored Underground, and 344, Gas Stored Underground --Noncurrent, shall be regarded as single account for the stored gas inventory.

G. Amounts debited to this account for gas placed in storage shall be credited to Account 747.2, Gas Delivered to Underground Storage--Credit. Amounts credited to this account for gas withdrawn from storage shall be debited to Account 747.1, Gas Withdrawn from Underground Storage--Debit.

H. Adjustments for inventory losses due to cumulative inaccuracies of gas measurements, or from other causes, shall be accounted for in accordance with the principles stated in General Instruction 6, Delayed Items. In the operation of the storage projects the utility shall maintain such procedures of verification as will disclose and result in prompt accounting recognition of significant losses.

IV. DEFERRED DEBITS

140. Unamortized Debt Discount and Expense.

This caption shall include the total of the debit balances, of those accounts having debit balances, of the discount, expense, and premium

accounts, for all classes of long-term debt. (See Balance sheet instruction 6.)

141. Extraordinary Property Losses.

A. This account shall include, when so authorized or directed by the Commission, losses in service value of property abandoned or otherwise retired from service which are not provided for by the depreciation or other reserves and which could not reasonably have been foreseen and provided for. It shall include, also, when so authorized or directed by the Commission, extraordinary losses, such as unforeseen damages to property which could not reasonably have been anticipated and which are not covered by reserves or by insurance.

B. The entire loss in service value of property retired which is subject to charges for depreciation or amortization and depletion shall be charged to the depreciation or amortization and depletion reserve as appropriate. If all, or a portion, of the loss in service value is to be included in this account, the depreciation or amortization and depletion reserve shall then be credited and this account charged with the amount properly chargeable hereto.

C. This account shall be so maintained that convenient itemization may be made of all amounts included herein.

D. Before making any entries to this account, the utility shall obtain the approval of the Commission. Application for permission to use the account shall be accompanied by a statement or statements giving a complete explanation of the nature and cause of the property loss together with a description of the property, its location, the original cost thereof, classified in accordance with the prescribed gas plant accounts, the cost to the utility, the amount of intangible value carried in the accounts with respect to such property, the amount at which the property is retired or to be retired, the amount, if any, chargeable to the depreciation or other reserves (showing cost thus chargeable, salvage, and cost of removal), the amount it is proposed to include in this account, the period over which and the accounts to which it is proposed to write off the loss, and a copy of any statement or statements made or planned to be made to a trustee under a mortgage or other indenture with respect to the property.

142.1 Preliminary Natural Gas Survey and Investigation Charges.

A. This account shall be charged with all expenditures for preliminary surveys, plans, investigations, etc., made for the purpose of determining the feasibility of acquiring land and land rights to provide a future supply of natural gas. If such land or land rights are acquired, this account shall be credited and the appropriate gas plant account (see Gas plant instruction 9-I) charged with the amount of the expenditures related to such acquisition. If the project is abandoned, the expenditures related thereto shall be charged to Account 739.4, Other Exploration Costs.

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

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

142.2 Other Preliminary Survey and Investigation Charges.

A. This account shall be charged with all expenditures for preliminary surveys, plans, investigations, etc., made for the purpose of determining the feasibility of projects under contemplation other than the acquisition of land and land rights to provide a future supply of natural gas. If construction results, this account shall be credited and the appropriate gas plant account charged. If the work is abandoned, the charge shall be to Account 538, Miscellaneous Income Deductions, or Account 414, Miscellaneous Debits to Surplus, unless otherwise authorized or directed by the Commission.

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

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

143. Clearing Accounts.

This caption shall include undistributed balances in clearing accounts (see accounts 901 to 906) at the date of the balance sheet. Balances in clearing accounts shall be substantially cleared not later than the end of the calendar year unless items held therein relate to a future period.

144. Retirement Work in Progress.

This account shall include the total of the balances of work orders for the retirement of gas plant. The amount to be credited to gas plant shall be charged to this account at the date the property is retired from service, and the cost of removal shall be charged to the account as incurred. Credits for salvage and insurance recovered shall be made to this account. Each work order shall be closed to Account 250.1, Reserve for Depreciation of Gas Plant, or other appropriate reserve, upon completion of the removal, in such a manner as to record separately in the reserve the original cost of plant retired, the cost of removal, and the salvage or insurance recovered.

145. Other Work in Progress.

This account shall include the total of the balances in open work or job orders for work in progress, other than that includible in Account 100.3, Construction Work in Progress, and Account 144, Retirement Work in Progress.

146. Other Deferred Debits.

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

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

V. CAPITAL STOCK DISCOUNT AND EXPENSE

150. Discount on Capital Stock.

A. There shall be reported by this caption all balances in the accounts for discount on capital stock.

B. The accounts hereunder shall be kept in such manner as to show separately the discount on each class and series of capital stock. (See Balance sheet instruction 5.)

C. The utility may amortize the balance carried in this account by charges to Account 414, Miscellaneous Debits to Surplus.

151. Capital Stock Expense.

A. This account shall include all commissions and expenses incurred in connection with the original issuance and sale of capital stock, including additional capital stock of a certain class or series as well as first issues.

B. When any issue of capital stock, or portion thereof, has been retired, there shall be credited to this account the balance herein in respect of such retired stock. (See Balance sheet instruction 5.)

C. The utility may amortize the balance carried in this account by charges to Account 414, Miscellaneous Debits to Surplus.

NOTE.—There shall not be included in this account expenses in connection with the reacquisition or resale of the utility's capital stock.

VI. REACQUIRED SECURITIES

152. Reacquired Capital Stock.

A. This account shall include the par value of capital stock actually issued by the utility and reacquired by it and not retired or cancelled, except, however, stock which is held by trustees in sinking or other funds. Stock without par value shall be included in this account at the proportionate amount at which the particular class and series of stock is included in Account 200, Common Capital Stock, or Account 201, Preferred Capital Stock.

B. The 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. (See Balance sheet instruction 5.)

C. 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 paragraph B, above.

D. This account shall be maintained or supported in such manner as to show the amount applicable to each class and series of stock.

153. Reacquired Long-Term Debt.

A. This account shall include the par or face value of bonds or other long-term debt actually issued or assumed by the utility and reacquired by it and held under conditions which do not permit the utility to treat such securities as paid, retired, or canceled but which permit the resale of the securities. It shall not include securities which are held by trustees in sinking or other funds.

B. When the securities are reacquired, the difference between par or face value, adjusted for unamortized discount, expense, or premium, and the amount paid upon reacquisition, shall be debited or credited, as appropriate, to Account 414, Miscellaneous Debits to Surplus, or Account 401, Miscellaneous Credits to Surplus. (See Balance sheet instruction 6.)

C. This account shall be maintained or supported in such manner as to show the amount applicable to each class and series of long-term debt.

LIABILITIES AND OTHER CREDITS**VII. CAPITAL STOCK****200. Common Capital Stock.****201. Preferred Capital Stock.**

A. These accounts shall include the par value, the stated value of stock without par value if such stock has a stated value, and if not, the cash value of the consideration received for such nonpar stock, of each class of capital stock actually issued and actually outstanding, and also the capital stock in Account 152, Reacquired Capital Stock.

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

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

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

NOTE.—When a levy or assessment, except a call for payment on subscriptions, is made against holders of capital stock, the amount collected upon such levy or assessment shall be credited to Account 203, Premiums and Assessments on Capital Stock.

202. Stock Liability for Conversion.

A. This account shall include the par value, the stated value of stock without par value if such stock has a stated value, and if not, the cash value of the consideration for such nonpar stock, of capital stock which the utility has agreed to exchange for outstanding securities of other companies in connection with the acquisition of properties of such companies under terms which allow the holders of the securities of the other companies to surrender such securities and receive in return therefor capital stock of the accounting utility.

B. When the securities of the other companies have been surrendered, this account shall be charged and Account 200, Common Capital Stock, or Account 201, Preferred Capital Stock, as the case may be, shall be credited.

C. The records shall be so kept as to show separately the stocks of different classes and series for which liability may exist.

203. Premiums and Assessments on Capital Stock.

A. This account shall include the excess of the actual cash value of the consideration received over the par or stated value and accrued dividends, of stock issued, together with assessments against stockholders representing payments required in excess of par or stated values.

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

C. When capital stock is retired and canceled, the amount in this account with respect to the shares of such stock retired and canceled shall be debited hereto. (See Balance sheet instruction 5.)

204. Capital Stock Subscribed.

A. This account shall include the amount of legally enforceable subscriptions to capital stock of the utility. It shall be credited with the par or stated value, or with the subscription price, in the case of stock without par or stated value, exclusive of accrued dividends, if any. Concurrently, a debit shall be made to Account 127, Subscriptions to Capital Stock, for the agreed price and any discount or premium shall be debited or credited to the appropriate discount or premium account. When properly executed stock certificates have been issued representing the shares subscribed, this account shall be debited and Account 200, Common Capital Stock, or Account 201, Preferred Capital Stock, shall be credited with the par or stated value of such stock.

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

205. Installments Received on Capital Stock.

A. This account shall include the amount of installments received on capital stock on a partial or installment payment plan from subscribers who are not bound by legally enforceable subscription contracts.

B. As subscriptions are paid in full and certificates issued, this account shall be charged and Account 200, Common Capital Stock, Account 201, Preferred Capital Stock, or Account 152, Reacquired Capital Stock, as appropriate, credited with the par or stated value of such stock. Any discount or premium on the original issue shall be included in the appropriate discount or premium account.

C. The records shall be kept in such manner as to show the amount of installments received on each class and series of stock.

VIII. LONG-TERM DEBT**210. Bonds.**

A. This account shall include the face value of the actually issued and unmatured bonds, which have not been retired or canceled; also the face value of such bonds issued by others, the payment of which has been assumed by the utility.

B. This account shall be so kept or supported as to show the face value of (1) nominally issued bonds, (2) nominally outstanding bonds, and (3) actually outstanding bonds of each class and series.

NOTE A.—For instructions relative to accounting for discount, expense, and premium on long-term debt, see Balance sheet instruction 6.

NOTE B.—Matured long-term debt shall be included in Account 225, Matured Long-Term Debt.

211. Receivers' Certificates.

A. This account shall include the face value of certificates of indebtedness issued by receivers in possession of the property and acting under the orders of a court.

B. Separate subdivisions shall be maintained for each issue of receivers' certificates.

212. Advances from Associated Companies.

A. This account shall include the face value of notes owed to associated companies and the amount of open book accounts representing advances from associated companies, including interest on such advances when the interest is not subject to current settlement.

B. This account shall be subdivided as follows:

212.1 Advances on Notes.

212.2 Advances on Open Accounts.

NOTE A.—The records supporting the entries to this account shall be so kept that the utility can furnish complete information concerning each note and open account.

NOTE B.—Notes and open accounts representing indebtedness subject to current settlement shall be included in Account 223, Payables to Associated Companies.

213. Miscellaneous Long-Term Debt.

A. This account shall include all unmatured long-term debt not otherwise provided for. This covers such items as real estate mortgages, executed or assumed, assessments for public improvements, notes and unsecured certificates of indebtedness not owned by associated companies, receipts outstanding for long-term debt, and other obligations maturing more than 1 year from date of issue or assumption. (See Balance sheet instruction 3.)

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

IX. CURRENT AND ACCRUED LIABILITIES**220. Notes Payable.**

This account shall include the face value of all notes, drafts, acceptances, or other similar evidences of indebtedness, payable on demand or which by their terms are payable within a time not exceeding 1 year from the date of issue, to other than associated companies. (See Balance sheet instruction 3.)

221. Notes Receivable Discounted.

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

222. Accounts Payable.

This account shall include all amounts payable by the utility within 1 year, and which are not provided for in other accounts.

223. Payables to Associated Companies.

This account shall include amounts owed to associated companies on notes, drafts, acceptances, or other similar evidences of indebted-

ness, and open accounts payable on demand or not more than one year from date of issue or creation. This account shall be subdivided as follows:

223.1 Notes Payable to Associated Companies.

223.2 Accounts Payable to Associated Companies.

NOTE.—Exclude from this account notes and accounts which are includible in Account 212, Advances from Associated 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 when they become a liability.

225. Matured Long-Term Debt.

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

226. Matured Interest.

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

227. Customers' Deposits.

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

228. Taxes Accrued.

A. This account shall be credited during each accounting period with the amount of taxes accrued during the period, corresponding debits being made to the appropriate accounts for tax charges. Such credits may be based upon estimates, but from time to time during the year as the facts become known the amount of the periodic credits shall be adjusted so as to include as nearly as can be determined in each year the taxes applicable thereto. Any amount representing a prepayment of taxes applicable to the period subsequent to the date of the balance sheet shall be shown under Account 132, Prepayments.

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

229. Interest Accrued.

There shall be reported by this caption the balances included in accounts 229.1 and 229.2.

229.1 Interest Accrued on Long-Term Debt.

This account shall include the amount of interest accrued on the long-term debt of the utility except interest on advances from associated companies. This account shall not include any interest which is added to the principal of the debt on which incurred.

229.2 Interest Accrued on Other Liabilities.

This account shall include the amount of interest accrued on liabilities of the utility other than long-term liabilities. This account

shall not include any interest which is added to the principal of the debt on which incurred.

230. Other Current and Accrued Liabilities.

This account shall include the current and accrued liabilities not provided for elsewhere.

X. DEFERRED CREDITS

240. Unamortized Premium on Debt.

This caption shall include the total of the credit balances of the discount, expense, and premium accounts, for all classes of long-term debt, including receivers' certificates. (See Balance sheet instruction 6.)

241. Customers' Advances for Construction.

This account shall include such advances by customers for construction as are to be refunded either wholly or in part. When a customer is refunded the entire amount to which he is entitled, according to the agreement or rule under which the advance was made, the balance, if any, remaining in the account shall be transferred to Account 265, Contributions in Aid of Construction.

242. Other Deferred Credits.

This account shall include advanced billings and receipts and other deferred credit items, not provided for elsewhere; also amounts which cannot be entirely cleared or disposed of until additional information has been received or which should be credited to income or to surplus accounts in the future.

XI. RESERVES

250.1 Reserve for Depreciation of Gas Plant.

A. This account shall be credited with the following:

Amounts charged to Account 503.1, Depreciation, to Account 508, Income from Gas Plant Leased to Others, to clearing accounts, or to income or other accounts for currently accruing depreciation.

Amounts charged to Account 414, Miscellaneous Debits to Surplus, for past accrued depreciation.

Amounts of depreciation applicable to gas properties acquired as operating units or systems. (See Gas plant instruction 4.)

Amounts chargeable upon approval of the Commission to Account 141, Extraordinary Property Losses.

Amounts of depreciation applicable to gas plant donated to the utility.

B. At the time of retirement of depreciable gas plant in service, this account shall be charged with the book cost of the property retired and the cost of removal, and shall be credited with the salvage value and any other amounts recovered, such as insurance.

C. For balance sheet purposes, this account shall be regarded and treated as a single composite reserve. For purposes of analysis, however, each utility shall maintain records in which the depreciation reserve shall be segregated according to the following functional classification of gas plant: (1) Production--manufactured gas, (2) production and gathering--natural

gas, (3) products extraction--natural gas, (4) underground gas storage, (5) local gas storage, (6) transmission, (7) distribution, and (8) general. The credits and debits to the reserve shall be so made as to show separately (1) the amount of the accrual for depreciation, (2) the book cost of property retired, (3) cost of removal, (4) salvage, and (5) other items, including recoveries from insurance.

D. When transfers of property are made from one utility plant account to another or from or to nonutility property, the accounting shall be as provided in Gas plant instruction 14.

E. This account shall be subdivided as follows:

- 250.11 Reserve for Depreciation of Gas Plant in Service.
- 250.12 Reserve for Depreciation of Gas Plant Leased to Others.
- 250.13 Reserve for Depreciation of Gas Plant Held for Future Use.

NOTE.—The utility is restricted in its use of the reserve to the purposes set forth above. It shall not divert any portion of the reserve to surplus or make any other use thereof without the approval of the Commission.

250.2 Reserve for Amortization and Depletion of Producing Natural Gas Land and Land Rights.

A. This account shall be credited with amounts charged to Account 503.2, Amortization and Depletion of Producing Natural Gas Land and Land Rights, or Account 508, Income from Gas Plant Leased to Others, to provide for the current amortization and depletion of land and land rights from which natural gas is obtained. (See Gas plant instruction 9-I.)

B. This account shall also be credited with such amounts as are necessary to reflect, as of the effective date of this system of accounts, the portion of the cost of land and land rights which have been exhausted through the extraction of natural gas. To the extent that provision has not previously been made for amortization and depletion of such land and land rights, amounts credited to this reserve shall be concurrently debited to Account 414, Miscellaneous Debits to Surplus.

C. When natural gas producing land or land rights are sold, relinquished, or otherwise retired from service, the book cost of the land or land rights so retired, less any proceeds realized at retirement, shall be charged to this account; provided, however, that any excess of the book cost (less proceeds realized from sale) over the amount accumulated therefor in this reserve shall be debited to the appropriate surplus account, unless otherwise authorized or directed by the Commission.

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

E. This account shall be subdivided as follows:

250.21 Reserve for Amortization and Depletion of Producing Natural Gas Land and Land Rights—Gas Plant in Service.

250.22 Reserve for Amortization and Depletion of Producing Natural Gas Land and Land Rights—Gas Plant Leased to Others.

NOTE.—The utility is restricted in its use of the reserve to the purposes set forth above. It shall not divert any portion of the reserve to surplus or make any other use thereof without approval of the Commission.

250.3 Reserve for Abandoned Leases.

A. This account shall be credited with amounts concurrently charged to Acct, 739.3 Abandoned Leases, for the purpose of providing a reserve to cover the costs of natural gas leases which may be abandoned and which have never been productive.

B. When natural gas leases which have never been productive are abandoned, the cost thereof, including expenses incidental to abandonment, shall be charged to this account; provided, however, that any deficiency in this reserve at the time of abandonment of the lease shall be charged to Account 739.3, Abandoned Leases.

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

NOTE A.—No provision shall be made in this reserve for the abandonment of producing natural gas leases, and the provisions of Gas plant instruction 14, Transfer of Property, shall not apply to amounts included herein. (See Account 250.2, Reserve for Amortization and Depletion of Producing Natural Gas Land and Land Rights.)

NOTE B.—The utility is restricted in its use of the reserve to the purposes set forth above. It shall not divert any portion of the reserve to surplus or make any other use thereof without the approval of the Commission.

251. Reserve for Amortization of Other Limited-Term Gas Investments.

A. This account shall be concurrently credited with amounts charged to Account 504, Amortization of Other Limited-Term Gas Investments, or to Account 508, Income from Gas Plant Leased to Others, for the current amortization of limited-term gas investments other than land rights held for the production of natural gas.

B. This account shall also be credited with such amounts as are necessary to reflect, as of the effective date of this system of accounts, the expired portion of the life of franchises, licenses, patent rights, and limited-term interests in land and land rights other than land rights held for the production of natural gas; or other intangible gas property which has a terminable life, the cost of which is included in gas plant. To the extent that provision has not previously been made for amortization of such limited-term utility investments, amounts credited to this reserve shall be concurrently debited to Account 414, Miscellaneous Debits to Surplus.

C. When any franchise, patent right, limited-term interest in land or land right expires, is sold, relinquished, or otherwise retired from service, this account shall be charged with the amount previously credited in respect to such property. The book cost of the property so retired less the amount chargeable to this account and less the proceeds realized at retirement shall be included in the appropriate surplus account.

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

E. This account shall be subdivided as follows:

- 251.1 Reserve for Amortization of Other Limited-Term Gas Investments—Gas Plant in Service.
- 251.2 Reserve for Amortization of Other Limited-Term Gas Investments—Gas Plant Leased to Others.
- 251.3 Reserve for Amortization of Other Limited-Term Gas Investments—Gas Plant Held for Future Use.

252. Reserve for Amortization of Gas Plant Acquisition Adjustments.

This account shall be credited or debited with amounts which the Commission may approve or direct to be charged or credited to Account 505, Amortization of Gas Plant Acquisition Adjustments, to Account 537, Miscellaneous Amortization, or to surplus for the purpose of providing for the extinguishment of amounts in Account 100.5, Gas Plant Acquisition Adjustments.

253. Reserve for Depreciation and Amortization of Other Property.

This account shall include the depreciation and amortization reserves applicable to property other than gas plant.

254. Reserve for Uncollectible Accounts.

A. This account shall be credited each month with amounts reserved for losses on accounts receivable which may become uncollectible, and also with collections on accounts previously charged hereto. Concurrent charges shall be made to Account 783, Uncollectible Accounts, for amounts applicable to gas operations, and to corresponding accounts for other operations.

B. This account shall be subdivided as follows:

- 254.1 Utility Customers.
- 254.2 Merchandising, Jobbing, and Contract Work.
- 254.3 Associated Companies.
- 254.4 Officers and Employees.
- 254.5 Other.

NOTE.—Accretions to this reserve shall not be made in excess of a reasonable provision against losses of the character for which the reserve is provided.

255. Insurance Reserve.

A. This account shall include amounts reserved by the utility for self-insurance against losses through accident, fire, flood, or other hazards to its own property or property leased from others. The amounts charged to Account 798, Insurance, or other appropriate accounts to cover such risks shall be credited to this account. A schedule of risks covered by this reserve shall be maintained, giving a description of the property involved, the character of the risks covered, and the rates used.

B. Charges shall be made to this account for losses covered by self-insurance.

NOTE.—Accretions to this reserve shall not be made in excess of a reasonable provision against losses of the character for which the reserve is provided.

256. Injuries and Damages Reserve.

A. This account shall be credited with amounts charged to Account 799, Injuries and Damages, or other appropriate accounts, to meet the probable liability, not covered by insurance, for deaths or injuries to employees and others, and for damages to property not owned or held under lease by the utility.

B. When liability for any injury or damage is admitted by the utility, either voluntarily or because of the decision of a court or other lawful authority, such as a workmen's compensation board, the admitted liability shall be charged to this account and credited to the appropriate liability account.

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

NOTE B.—Accretions to this reserve shall not be made in excess of a reasonable provision against losses of the character for which the reserve is provided.

257. Employees' Provident Reserve.

A. This account shall include provision which has been made by operating expense charges, or by specific appropriations of income or surplus, and by amounts contributed by employees (whether carried in special funds or in the general funds of the utility) for pensions, accident and death benefits, savings, relief, hospital, and other provident purposes.

B. This account shall include also the amounts accrued for pensions through charges to Account 800, Employees' Welfare Expenses and Pensions. Amounts so credited shall, when actually paid to retired employees or paid into a trust fund irrevocably devoted to the payment of pensions, be charged hereto.

C. Separate accounts shall be kept for each kind of reserve included herein.

258. Other Reserves.

A. This account shall include all reserves maintained by the utility which are not provided for elsewhere in this system of accounts.

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

XII. CONTRIBUTIONS IN AID OF CONSTRUCTION**265. Contributions in Aid of Construction.**

A. This account shall include donations or contributions in cash services, or property from States, municipalities, or other governmental agencies, individuals, and others for construction purposes. (See Gas plant instruction 3-F.)

B. The credits to this account shall not be transferred to surplus account or to any other account without the approval of the Commission, except as provided in Gas plant instruction 12-F.

C. The records supporting the entries to this account shall be so kept that the utility can furnish information as to the purpose of each donation, the condition, if any, upon which it was made, and the amount of donations from (a) States, (b) municipalities, (c) customers, and (d) others.

NOTE.—There shall not be included in this account advances for construction which are ultimately to be repaid wholly or in part. Such advances shall be credited to Account 241, Customers' Advances for Construction.

XIII. SURPLUS**270. Capital Surplus.**

A. This account shall include all surplus not classified herein as earned surplus. It shall include credits from sales by the utility of its reacquired capital stock, surplus arising from the retirement and cancelation 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, from the forgiveness of debt of the utility, also surplus recorded at a reorganization or in connection with a recapitalization.

B. This account shall be maintained in such manner as to permit a ready analysis of the charges and credits hereto.

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.

INSTRUCTIONS—GAS PLANT ACCOUNTS

1. Purpose of Gas Plant Accounts.

A. The summary gas plant accounts are as follows:

100. Gas Plant.

- 100.1 Gas Plant in Service.
- 100.2 Gas Plant Leased to Others.
- 100.3 Construction Work in Progress.
- 100.4 Gas Plant Held for Future Use.
- 100.5 Gas Plant Acquisition Adjustments.
- 100.6 Gas Plant in Process of Reclassification.

107. Gas Plant Adjustments.

B. Account 100 is a caption by which shall be reported the amounts in accounts 100.1 to 100.6, inclusive.

C. Accounts 100.1 to 100.4, inclusive, are designed to show the original cost of gas plant acquired as operating units or systems by purchase, merger, consolidation, liquidation, or otherwise, and the cost to the utility of all other gas plant recorded in these accounts.

D. Account 100.5 is designed to show the difference between the cost to the utility of gas plant acquired as operating units or systems by purchase, merger, consolidation, liquidation, or otherwise, and the original cost of the plant, due consideration being given to any depreciation, depletion, or amortization recorded by the accounting utility at the date of acquisition.

E. Account 100.6 is designed to be used as a control account for gas plant at the effective date of this system of accounts pending the distribution thereof in accordance with the accounts prescribed herein.

F. Account 107 is designed to show the amount by which the book cost of gas plant at the effective date of this system of accounts differs from the cost of the plant to the utility when the difference is not properly includible in other accounts. It shall include all write-ups in the books as of the effective date of this system of accounts.

NOTE.—See balance sheet accounts 100 and 107.

2. Classification of Gas Plant at Effective Date of System of Accounts.

A. Each utility shall classify its gas plant as of the effective date of this system of accounts in accordance with the gas plant accounts prescribed herein. The classification shall be so made as to show both the original cost and the cost to the utility of its gas plant.

B. The cost to the utility of its gas plant shall be ascertained by analysis of the utility's records. In ascertaining the cost it is not intended that any correction need be made for depreciation, deple-

tion, or amortization applicable to operating units or systems previously acquired; whether or not such depreciation, depletion, or amortization was recorded in the books of the accounting utility. It is likewise not intended that adjustments shall be made to record in gas plant accounts amounts previously charged to operating expenses in accordance with the uniform system of accounts in effect at the time or in accordance with the discretion of management as exercised under such uniform system of accounts.

C. The detailed gas plant accounts (301 to 390, inclusive) shall be stated on the basis of cost to the utility of plant constructed by it and the original cost, estimated if not known, of plant acquired as an operating unit or system. The difference between the original cost, as above, and the cost to the utility of plant includible in accounts 100.1 to 100.4, inclusive, after giving effect to any depreciation, depletion, or amortization recorded by the accounting utility at the time of acquisition, shall be recorded in Account 100.5, Gas Plant Acquisition Adjustments. The original cost of gas plant may be determined by analysis of the utility's records or those of predecessor or vendor companies with respect to gas plant previously acquired as operating units or systems and the difference between the original cost so determined and the cost to the utility, with adjustments for retirements from date of acquisition to the effective date of this system of accounts, shall be entered in Account 100.5, Gas Plant Acquisition Adjustments. When practicable, amounts recorded in account 100.5 shall be classified according to the nature of the items of which composed. Any difference between the cost of gas plant and its book cost, when not properly includible in other accounts, shall be recorded in Account 107, Gas Plant Adjustments.

D. Not later than 2 years after the effective date of this system of accounts, each utility shall have completed the studies necessary for classifying its gas plant as of the effective date of this system of accounts in accordance with the accounts prescribed herein and it shall submit to the Commission the entries it proposes to make to carry out the provisions of this instruction. It shall submit, also, a comparative balance sheet showing the accounts and amounts appearing in its books as of the effective date of this system of accounts and the accounts and respective amounts as of the same date after the proposed entries shall have been made.

E. Pending the classification of gas plant at the effective date of this system of accounts in accordance with the accounts prescribed herein, each utility shall maintain its present accounts with respect to such property as subaccounts of Account 100.6, Gas Plant in Process of Reclassification.

3. Gas Plant to be Recorded at Cost.

A. All amounts included in the accounts for tangible gas plant consisting of plant acquired as an operating unit or system shall be stated at the original cost incurred by the person who first devoted the property to gas service. All other tangible gas plant shall be included in the accounts at the cost incurred by the utility.

B. All amounts included in the accounts for intangible gas plant shall likewise be stated on the basis provided in paragraph A above except as otherwise provided in the texts of the intangible accounts.

C. Where the term "cost" is used in the detailed gas plant accounts, it shall have the meaning stated in paragraphs A and B above and shall include not only the materials, supplies, labor, services, and other items consumed or employed in the construction and installation of gas plant, but also the cost of preliminary studies, plans, surveys, engineering, supervision, and general expenses, which contribute directly and immediately to gas plant without duplication of such costs.

D. When the consideration given for property is other than cash, the value of such consideration shall be determined on a cash basis. In the entry recording such transaction, the actual consideration shall be described with sufficient particularity to identify it. The utility shall be prepared to furnish the Commission the particulars of its determination of the cash value of the consideration, if other than cash.

E. When property is purchased under a plan involving deferred payments, no charge shall be made to the gas plant accounts for interest, insurance, or other expenditures occasioned solely by such form of payment.

F. Gas plant contributed to the utility or constructed by it from contributions to it of cash or its equivalent shall be charged to the gas plant accounts at original cost. There shall be credited to the depreciation, depletion, and amortization reserve accounts the estimated amount of depreciation, depletion, and amortization applicable to the property at the time of its contribution to the utility. The difference between the amounts included in the gas plant accounts and the reserve accounts shall be credited to Account 265, Contributions in Aid of Construction.

NOTE.—Amounts received for construction which are ultimately to be refunded, wholly or in part, shall be credited to Account 241, Customers' Advances for Construction. When the amount to be refunded has been finally determined, any credit balance remaining in account 241 shall be credited to Account 265, Contributions in Aid of Construction.

4. Gas Plant Purchased.

A. When gas plant constituting an operating unit or system is acquired by purchase, merger, consolidation, liquidation, or otherwise, after the effective date of this system of accounts, the cost of acquisition, including expenses incidental thereto and properly includible in gas plant, shall be charged to Account 100.1, Gas Plant in Service, Subaccount 391, Gas Plant Purchased.

B. The accounting for the acquisition shall then be completed as following:

(1) The original cost, estimated if not known, shall be credited to Account 100.1, Gas Plant in Service, Subaccount 391, Gas Plant Purchased, and concurrently charged to Account 100.1, Gas Plant in Service, Account 100.2, Gas Plant Leased to Others, Account 100.3, Construction Work in Progress, Account 100.4, Gas Plant Held for Future Use, as appropriate, and distributed to the detailed accounts which they control.

(2) The depreciation, or amortization and depletion reserve requirements applicable to the original costs of the properties purchased, if required by the Commission to be recorded by the accounting utility, shall be charged to Account 100.1, Gas Plant in Service, Subaccount 391, Gas Plant Purchased, and concurrently credited to Account 250.1,

Reserve for Depreciation of Gas Plant, Account 250.2, Reserve for Amortization and Depletion of Producing Natural Gas Land and Land Rights, and Account 251, Reserve for Amortization of Other Limited-Term Gas Investments, as appropriate.

(3) The amount remaining in Account 391, Gas Plant Purchased, shall then be closed to Account 100.5, Gas Plant Acquisition Adjustments.

C. A memorandum record shall be kept of the amount of contributions in aid of construction applicable to the property acquired as shown by the accounts of the previous owner.

D. When any property acquired as an operating unit or system includes duplicate or other gas plant which will be retired by the accounting utility in the reconstruction of the acquired property or its consolidation with the previously owned property, the accounting for such property shall be presented to the Commission for consideration and approval.

E. If property acquired in the purchase of an operating unit or system is in such physical condition when acquired that it is necessary substantially to rehabilitate it in order to bring the property up to the standards of the utility, the cost of such work, except replacements, shall be accounted for as a part of the purchase price of the property.

F. In connection with the acquisition of gas plant constituting an operating unit or system, the utility shall procure, if possible, all existing records relating to the property acquired, or certified copies thereof, and shall preserve such records until specifically authorized by the Commission to destroy or otherwise dispose of them.

NOTE.—In cases of mergers or consolidations occurring prior to the determination of original cost of the plant of the merging or consolidating utilities, the accounts of the constituent utilities, with the approval of the Commission, may be combined. In the event original cost has not been determined, the resulting utility shall proceed to determine such cost as outlined herein.

5. Components of Construction Cost.

The cost of construction properly includible in the gas plant accounts shall include, where applicable, the direct and overhead costs as listed and defined hereunder:

(1) "Contract work" includes amounts paid for work performed under contract by other companies, firms, or individuals, costs incident to the award of such contracts, and the inspection of such work. It does not include the cost of work performed by the utility on the project, a part of which is performed by others under contract.

(2) "Labor" includes the pay and expenses of employees of the utility engaged on construction work, and also workmen's compensation insurance, pay roll taxes, and similar items of expense. It does not include the pay and expenses of employees which are distributed to construction through clearing accounts nor the pay and expenses included in other items hereunder.

(3) "Materials and supplies" includes the purchase price at the point of free delivery plus customs duties, excise taxes, the cost of inspection, loading and transportation, the related stores expenses, and the cost of fabricated materials from the utility's shop. In determining the cost of materials and supplies used for construction, proper allowance shall be made for unused materials and supplies, for

materials recovered from temporary structures used in performing the work involved, and for discounts allowed and realized in the purchase of materials and supplies.

NOTE A.—The cost of individual items of equipment of small value (for example, \$10 or less) or of short life, including small portable tools and implements, shall not be charged to gas plant accounts unless the correctness of the accounting therefor is verified by current inventories. The cost may be charged to the appropriate operating expense or clearing accounts, according to the use of such items, or, if such items are consumed directly in construction work, the cost shall be included as part of the cost of the constructed unit.

NOTE B.—Gas owned by the utility used in well construction shall be charged thereto at the cost with an offsetting credit to Account 718, Gas Used in Utility Operations--Cr.

(4) "Transportation" includes the cost of transporting employees, materials and supplies, tools, purchased equipment, and other work equipment (when not under own power) to and from points of construction. It includes amounts paid to others as well as the cost of operating the utility's own transportation equipment. (See item 5 following.)

(5) "Special machine service" includes the cost of labor (optional), materials and supplies, depreciation, and other expenses incurred in the maintenance, operation, and use of special machines, such as steam shovels, pile drivers, derricks, ditchers, scrapers, material unloaders, and other labor saving machines; also expenditures for rental, maintenance, and operation of machines of others. It does not include the cost of small tools and other individual items of small value or short life which are included in the cost of materials and supplies. (See item 3, above.) When a particular construction job requires the use for an extended period of time of special machines, transportation or other equipment, the net book cost thereof, less the appraised or salvage value at time of release from the job, shall be included in the cost of construction.

(6) "Shop service" includes the proportion of the expense of the utility's shop department assignable to construction work, except that the cost of fabricated materials from the utility's shop shall be included in "materials and supplies."

(7) "Protection" includes the cost of protecting the utility's property from fire or other casualties and the cost of preventing damages to others, or to the property of others, including payments for discovery or extinguishment of fires, cost of apprehending and prosecuting incendiaries, witness fees in relation thereto, amounts paid to municipalities and others for fire protection, and other analogous items of expenditures in connection with construction work.

(8) "Injuries and damages" includes expenditures or losses in connection with construction work on account of injuries to persons and damages to the property of others; also the cost of investigation of and defense against actions for such injuries and damages. Insurance recovered or recoverable on account of compensation paid for injuries to persons incident to construction shall be credited to the account or accounts to which such compensation is charged. Insurance recovered or recoverable on account of property damages incident to construction shall be credited to the account or accounts charged with the cost of the damages.

(9) "Privileges and permits" includes payments for and expenses incurred in securing temporary privileges, permits, or rights in connection with construction work, such as for the use of private or public property, streets, or highways, but it does not include rents, or amounts chargeable as franchises and consents, for which see Account 302, Franchises and Consents.

(10) "Rents" includes amounts paid for the use of construction quarters and office space occupied by construction forces and amounts properly includible in construction costs for such facilities jointly used.

(11) "Engineering and supervision" includes the portion of the pay and expenses of engineers, surveyors, draftsmen, inspectors, superintendents, and their assistants applicable to construction work.

(12) "General administration capitalized" includes the portion of the pay and expenses of the general officers and administrative and general expenses applicable to construction work.

(13) "Engineering services" includes amounts paid to other companies, firms, or individuals engaged by the utility to plan, design, prepare estimates, supervise, inspect, or give general advice and assistance in connection with construction work. A copy of the agreement or arrangement under which such services are rendered shall be preserved.

(14) "Insurance" includes premiums paid or amounts provided or reserved as self-insurance for the protection against loss and damages in connection with construction, by fire or other casualty, injury to or death of persons other than employees, damages to property of others, defalcation of employees and agents, and the nonperformance of contractual obligations of others. It does not include workmen's compensation or similar insurance on employees included as "labor" in item 2, above.

(15) "Law expenditures" includes the general law expenditures incurred in connection with construction and the court and legal costs directly related thereto, other than law expenses included in protection, item 7, and in injuries and damages, item 8.

(16) "Taxes" includes taxes on physical property (including land) during the period of construction and other taxes properly includible in construction costs before the facilities become available for service.

(17) "Interest during construction" includes the net cost of borrowed funds used for construction purposes and a reasonable rate upon the utility's own funds when so used. Interest during construction shall be charged to the individual job upon which the funds are expended and shall be credited to Account 536, Interest Charged to Construction—Cr. The period for which interest may be capitalized shall be limited to the period of construction. No interest charges shall be included in these accounts upon expenditures for construction projects which have been abandoned.

NOTE.—When a part only of a plant or project is placed in operation or is completed and ready for service but the construction work as a whole is incomplete, that part of the cost of the property placed in operation, or ready for service, shall be treated as "Gas Plant in Service" and interest thereon as a charge to construction shall cease. Interest on that part of the cost of the plant which is incomplete may be continued as a charge to construction until such time as it is placed in operation or is ready for service, except as limited in item 17, above.

(18) "Earnings and expenses during construction" include (a) all revenues derived during the construction period from property which is included in the cost of the project under construction and (b) all expenses (except taxes) which are attributable to the revenues received.

6. Overhead Construction Costs.

A. All overhead construction costs, such as engineering, supervision, general office salaries and expenses, construction engineering and supervision by others than the accounting utility, law expenses, insurance, injuries and damages, relief and pensions, taxes, and interest, shall be charged to particular jobs or units on the basis of the amounts of such overheads reasonably applicable thereto, to the end that each job or unit shall bear its equitable proportion of such costs and that the entire cost of the unit, both direct and overhead, shall be deducted from the gas plant accounts at the time the unit of property is retired.

B. The instructions contained herein shall not be interpreted as permitting the addition to gas plant accounts of arbitrary percentages or amounts to cover assumed overhead costs, but as requiring the assignment to particular jobs and accounts of actual and reasonable overhead costs.

C. The records supporting the entries for overhead construction costs shall be so kept as to show the total amount of each overhead for each year, the nature and amount of each overhead expenditure charged to each construction work order and to each gas plant account, and the bases of distribution of such costs.

7. Leased Property, Expenditures on.

A. Except as provided in paragraph B, following, the cost of initial improvements (including repairs, rearrangements, additions, and betterments) to property leased from others made in the course of preparing the property for service and the cost of any subsequent additions or betterments to such leased property shall be charged to the gas plant or other property account appropriate for the class of property leased. (See account 100.1 and Operating expense instruction 5.)

B. When the initial improvements to leased property which are otherwise chargeable to gas plant or other property accounts are of relatively minor cost or short life or the lease is for a period of not more than 1 year, the cost shall be charged to the account in which the rent expense is included.

C. Provision for the retirement of improvements to leased property shall be made either through Account 251, Reserve for Amortization of Other Limited-Term Gas Investments, by concurrent charges to Account 504, Amortization of Other Limited-Term Gas Investments, or through Account 250.1, Reserve for Depreciation of Gas Plant, by concurrent charges to Account 503.1, Depreciation. The annual amortization or depreciation provision shall be determined in the following manner:

(1) If the service life of the improvements is terminated by action of the lease and not by depreciation (see definition 14), then the service value of the improvements should be spread over the life of the

lease by charges to Account 504, Amortization of Other Limited-Term Gas Investments, and credits to Account 251, Reserve for Amortization of Other Limited-Term Gas Investments.

(2) If the service life is terminated not by action of the lease but by depreciation, then the service value of the improvements should be accounted for as depreciable plant (see accounts 503.1 and 250.1).

8. Temporary Facilities.

When property ordinarily having a service life of more than 1 year is installed for temporary use in gas service, it shall be accounted for in the manner prescribed for gas plant in service.

9. Land and Land Rights.

A. "Land and land rights" means land owned in fee by the utility and rights, interests, and privileges held by the utility in land owned by others, such as leaseholds, easements, natural gas rights, rights-of-way, and other like interests in land.

B. The accounts for land and land rights shall include the first cost, including the amounts of mortgages or other liens assumed, but not rents payable periodically with respect to such rights.

C. Where special assessments for public improvements provide for deferred payments, the full amount of the assessments shall be charged to the appropriate land account and the unpaid balance shall be carried in an appropriate liability account. Interest on unpaid balances shall be charged to the appropriate interest account. If any part of the cost of public improvements is included in the general tax levy, the amount thereof shall be charged to the appropriate tax account; otherwise the cost of public improvements, including cost of sidewalks and curbs constructed by the utility on public streets, should be charged to the accounts for land and land rights.

D. The net profit from the sale of timber, cordwood, or other property acquired with rights-of-way or other lands shall be credited to the appropriate land and land rights account. Where land is held for a considerable period of time and timber on the land at the time of purchase increases in value, the net profit (after giving effect to the cost of the timber) from the sales of timber or its products shall be credited to Account 526, Miscellaneous Nonoperating Revenues.

E. Separate entries shall be made for the acquisition, transfer, or retirement of each parcel of land, and each land right, or gas right (except rights-of-way for distribution lines) having a life of more than 1 year. A record shall be maintained showing the nature of ownership, full legal description, area, map reference, purpose for which used, city, county, and tax district in which situated, from whom purchased or to whom sold, payment given or received, other costs, contract date and number, date of recording of deed, and book and page of record. Entries transferring or retiring land or land rights shall refer to the original entry recording its acquisition. A parcel of land acquired and carried on the books as a unit is not required to be subdivided with transfers to other land accounts merely because of the erection thereon of an incidental structure to be used in gas operations but for a purpose differing from that for which the land is chiefly employed; for example, a small general storehouse on production plant land.

F. Any difference between the amount received from the sale of land or land rights, less agents' commissions and other costs incident to the sale, and the book cost of such land or rights, shall be charged to Account 414, Miscellaneous Debits to Surplus, or credited to Account 401, Miscellaneous Credits to Surplus, as appropriate, unless a reserve therefor has been authorized and provided. Appropriate adjustments of the accounts shall be made with respect to any structures or improvements located on land sold.

G. Entries to the gas plant accounts for limited-term interests in land (except rights-of-way for distribution lines) shall make specific reference to the lease, contract, or arrangement under which each interest is held or used, together with a concise statement of the terms of the lease, contract, or arrangement.

H. The cost of buildings and other improvements (other than public improvements) shall not be included in the land accounts. If at the time of acquisition of an interest in land such interest extends to buildings or other improvements (other than public improvements), which are then devoted to gas operations, the land and improvements shall be separately appraised and the cost allocated to land and buildings or improvements on the basis of the appraisals. If the improvements are removed or wrecked without being used in operations, the cost thereof and the cost of removing or wrecking shall be charged and the salvage credited to the account in which the cost of the land is recorded.

I. The cost of land and land rights acquired in excess of that used in gas operations shall be included in Account 110, Other Physical Property, or Account 100.4, Gas Plant Held for Future Use, as appropriate. Regarding land and land rights held for the production of natural gas, Account 100.1, Gas Plant in Service, shall include (1) the cost of lands owned in fee upon which producing natural gas wells are located or lands owned in fee which are being drained through the operation by the utility of wells on other land, and (2) the first cost of lands held under lease upon which the utility pays royalties for the natural gas obtained therefrom. The cost of all other land and land rights held for the production of natural gas under a definite plan for such use shall be included in Account 100.4, Gas Plant Held for Future Use.

NOTE.—In addition to the accounting records prescribed herein, supplemental records of land and land rights held for future use shall be kept in such manner as to permit the segregation within a reasonable time of the land and land rights constituting (1) productive but nonproducing fields, and (2) unproven or undeveloped fields, and to show the following data with respect to each natural gas lease, regardless of the accounting treatment accorded the lease costs: (a) name of lessor, (b) location of leasehold and number or other identification assigned thereto, (c) date and period of lease agreement, (d) first cost of lease including details of the elements of such cost, (e) annual rental provisions, (f) date and cost of drilling, (g) date gas determined to exist, (h) date of completion of first well drilled by the utility in each pool of gas, (i) royalty provisions, (j) amortization and depletion provisions, and (k) date of abandonment of lease.

J. When the purchase of land for gas operations requires the purchase of land not used for such purposes, the charge to the specific land account shall be based upon the estimated cost of only that portion which is used for gas operations. The cost of the remaining land shall be included in Account 100.4, Gas Plant Held for Future Use, or Account 110, Other Physical Property, as appropriate.

K. Provision shall be made for amortizing amounts carried in the accounts for limited-term interests in land. The amortization of limited-term interests in land shall be accomplished in such manner as to apportion equitably the cost of each interest over the life thereof and to produce a charge to operating expenses, for each accounting period, of the amount properly chargeable thereto for such period. For the purposes of amortization of natural gas rights, separate interests in land which constitute an interest in one pool of gas may be grouped to form a depletion unit. (See Account 250.2, Reserve for Amortization and Depletion of Producing Natural Gas Land and Land Rights, Account 250.3, Reserve for Abandoned Leases, and Account 251, Reserve for Amortization of Other Limited-Term Gas Investments; also Account 503.2, Amortization and Depletion of Producing Natural Gas Land and Land Rights, Account 504, Amortization of Other Limited-Term Gas Investments, and Acct., 739.3 Abandoned Leases.)

L. The items of cost to be included in the accounts for land and land rights are as follows:

- Bulkheads, buried, not requiring maintenance or replacement.
- Cost, first, of acquisition including mortgages and other liens assumed (but not subsequent interest thereon).
- Clearing (first cost) the land of brush, trees, and debris.
- Condemnation proceedings, including court and counsel costs.
- Consents and abutting damages, payment for.
- Conveyancers' and notaries' fees.
- Fees, commissions, and salaries to brokers, agents, and others in connection with the acquisition of the land or land rights.
- Grading the land, except when directly occasioned by the building of a structure.
- Leases, cost of voiding upon purchase to secure possession of land.
- Removing, relocating, or reconstructing property of others, such as buildings, highways, railroads, bridges, cemeteries, churches, telephone and power lines, etc., in order to acquire quiet possession.
- Retaining walls unless identified with structures.
- Special assessments levied by public authorities for public improvements on the basis of benefits for new roads, new bridges, new sewers, new curbing, new pavements, and other public improvements, but not taxes levied to provide for the maintenance of such improvements.
- Surveys in connection with the acquisition.
- Taxes assumed, accrued to date of transfer of title.
- Title, examining, clearing, insuring, and registering in connection with the acquisition and defending against claims relating to the period prior to the acquisition.

10. Structures and Improvements.

A. "Structures and improvements" means all permanent buildings and structures to house, support, or safeguard property or persons, and improvements of a permanent character other than public improvements on or to land.

B. "Buildings" means permanent structures to house, support, or safeguard property or persons, including all fixtures permanently attached to and made a part of buildings and which cannot be removed therefrom without cutting into the walls, ceilings, or floors, or without in some way impairing the buildings.

C. "Improvements" means permanent improvements (other than buildings) to land.

D. Items of cost:

- Architects' plans.
- Ash pits (when located within the building proper).
- Athletic field structures and improvements.
- Boilers, furnaces, piping, wiring, fixtures, and machinery for heating, lighting, signaling, ventilating, and plumbing.
- Bulkheads, including dredging, riprap fill, piling, decking, concrete, fenders, etc., when exposed and subject to maintenance and replacement.
- Chimneys.
- Coal bins and bunkers.
- Commissions and fees to brokers, agents, architects, and others.
- Conduit (not to be removed) with its contents.
- Damages to abutting property during construction.
- Docks.
- Door checks and door stops.
- Drainage and sewerage systems.
- Elevators, cranes, hoists, etc., and the machinery for operating them.
- Excavation, including shoring, bracing, bridging, refill, and disposal of excess excavated material.
- Fences and fence curbs (not including protective fences isolating individual items of equipment, which should be charged to the appropriate equipment account).
- Fire protection systems when forming a part of a structure.
- Floor covering (permanently attached).
- Foundations and piers for machinery, constructed as a permanent part of a building or other item listed herein.
- Grading when directly occasioned by the building of a structure.
- Holdings—relief.
- Holdings—waterless, including steel structure, piston elevators, cost of first tar seal, tar apparatus and storage tanks, stairways, etc.
- Holdings—waterseal, including tank construction, water, holder lifts, framework, stairways, and heating equipment.
- Inlet and outlet lines to holders and storage tanks, including inlet and outlet valve pits and drip pumps.
- Intrasite communication system, poles, pole fixtures, wires, and cables.
- Landscaping, lawns, shrubbery, etc.
- Leases, voiding upon purchase, to secure possession of structures.
- Leased property, expenditures on.
- Lighting fixtures and outside lighting systems.
- Natural gas wells used solely for storage of gas.
- Painting, first.
- Partitions, including movable.
- Permits and privileges.
- Platforms, railings, and gratings, when constructed as a part of a structure.
- Power boards for services to a building.
- Refrigerating systems for general use.
- Retaining walls, except when identified with land.
- Roadways, railroads, bridges, and trestles intrasite, except railroads provided for in equipment accounts.
- Scales, connected to and forming a part of a structure.
- Screens.
- Sewer systems, for general use.
- Sidewalks, curbs, and streets constructed by the utility, except sidewalks and curbs on public streets.
- Sprinkling systems.
- Stacks—brick, steel, or concrete, when set on foundation forming part of general foundation and steelwork of a building.
- Storage facilities constituting a part of a building.
- Storm doors and windows.
- Subways, areaways, and tunnels, directly connected to and forming part of a structure.
- Tanks, constructed as part of a building or as a distinct structural unit.
- Tunnels, intake and discharge, when constructed as part of a structure, and those constructed to house mains.
- Vaults constructed as part of a building.

Water-front improvements.

Water-supply piping, hydrants, and wells.

Water-supply system for a building or general company purposes.

Wharves.

Window shades and ventilators.

Yard-drainage system.

Yard-lighting system.

Yard surfacing, gravel, concrete, or oil.

NOTE.—The cost of disposing of material excavated in connection with construction shall be considered as a part of the cost of such work, except as follows: (a) When such material is used for filling, the cost of loading, hauling, and dumping shall be equitably apportioned between the work in connection with which the removal occurs and the work in connection with which the material is used; (b) when such material is sold, the net amount realized from such sales shall be credited to the work in connection with which the removal occurs. If the amount realized from the sale of excavated materials exceeds the removal costs and the costs in connection with the sale, the excess shall be credited to the land account in which the site is carried.

E. Items not included in buildings:

(1) Do not include in the cost of buildings, lighting, heating, or other fixtures temporarily attached for purposes of display or demonstration.

(2) The cost of specially provided foundations not intended to outlast the machinery or apparatus for which provided, and the cost of angle irons, castings, etc., installed at the base of an item of equipment, shall be charged to the same account as the cost of the machinery, apparatus, or equipment.

(3) When furnaces and boilers are used primarily for furnishing steam for some particular department and only incidentally for furnishing steam for heating a building and operating the equipment therein, the entire cost of such furnaces and boilers shall be charged to the appropriate plant account, and no part to the building account.

(4) Minor buildings and structures may be considered a part of the facility in connection with which constructed or operated and the cost thereof accounted for accordingly when the nature of the structure and facility indicates the correctness of such accounting.

11. Equipment.

A. "Equipment", as used in this system of accounts, means all tangible utility plant, other than land and structures as herein defined.

B. The cost of equipment, unless otherwise indicated in the text of an equipment account, includes, in addition to the actual price thereof, sales taxes, investigation and inspection expenses necessary to such purchase, expenses of transportation when borne by the utility, labor employed, materials and supplies consumed, and expenses incurred by the utility in unloading and placing the equipment in readiness to operate.

C. Exclude from equipment accounts hand and other portable tools which are likely to be lost or stolen or which have relatively small value (\$10 or less) or short life, unless the correctness of the accounting therefor is verified by current inventories. Special tools acquired and included in the purchase price of equipment shall be included in the appropriate plant account. Portable drills and similar tool equipment when used in connection with the operation and maintenance of a particular plant or department, such as production, transmission, distribution, etc., or in "stores", shall be charged to the plant account appropriate for their use.

D. The equipment accounts shall include angle irons and similar items which are installed at the base of an item of equipment, but piers and foundations which are designed to be as permanent as the buildings which house the equipment, or which are constructed as a part of the building, and which cannot be removed without cutting into the floors or the walls of the building, shall be included in the building accounts.

E. The equipment accounts shall include all the necessary costs of testing or running a plant or part thereof during an experimental or test period prior to becoming available for service. The accounting utility shall furnish the Commission with full particulars of and justification for any test or experimental run extending beyond a period of 30 days.

F. The cost of efficiency or other tests made subsequent to the date equipment becomes available for service shall be charged to the appropriate expense accounts, except that tests to determine whether equipment meets the specifications and requirements as to efficiency, performance, etc., guaranteed by manufacturers, made after operations have commenced and within the period specified in the agreement or contract of purchase, may be charged to the appropriate gas plant account.

12. Additions and Retirements of Gas Plant.

A. For the purpose of avoiding undue refinement in accounting for additions to and retirements and replacements of gas plant, all property shall be considered as consisting of (1) retirement units and (2) minor items of property.

B. *Retirement units.*—Each utility shall adopt the List of Retirement Units contained in Appendix I of this system of accounts for use in accounting for additions to and retirements and replacements of gas plant.

(1) When a retirement unit is added to gas plant, the cost thereof shall be added to the appropriate gas plant account, except that when retirement units are acquired in the acquisition of any gas plant constituting an operating system, they shall be accounted for as provided in Gas plant instruction 4.

(2) When a retirement unit is retired from gas plant, with or without replacement, the book cost thereof shall be credited to the gas plant account in which it is included, determined in the manner set forth in paragraph D, below. If the retirement unit is of a depreciable class, the book cost of the unit retired and credited to gas plant shall be charged to the depreciation reserve provided for such property. (See par. G, below, and Gas plant instruction 13.)

C. *Minor items of property.*—(1) When a minor item of property which did not previously exist is added to plant, the cost thereof shall be accounted for in the same manner as for the addition of a retirement unit, as set forth in paragraph B(1), above, if a substantial addition results, otherwise the charge shall be to the appropriate operating expense account.

(2) When a minor item of property is retired and not replaced, the book cost thereof shall be credited to the gas plant account in which it is included; and, in the event the minor item is a part of depreciable plant, the depreciation reserve shall be charged with the book cost and cost of removal and credited with the salvage. If, however, the

book cost of the minor item retired and not replaced has been or will be accounted for by its inclusion in the retirement unit of which it is a part when such unit is retired, no separate credit to the property account is required, when such minor item is retired.

(3) When a minor item of depreciable property is replaced independently of the retirement unit of which it is a part, the cost of replacement shall be charged to the maintenance account appropriate for the item, except that if the replacement effects a substantial betterment (the primary aim of which is to make the property affected more useful, more efficient, of greater durability, or of greater capacity), the excess cost of the replacement over the estimated cost at current prices of replacing without betterment shall be charged to the appropriate gas plant account.

D. *Determination of book cost.*—The book cost of gas plant retired shall be the amount at which such property is included in the gas plant accounts, including all components of construction costs. The book cost shall be determined from the utility's records and if this cannot be done, it shall be estimated. When it is impracticable to determine the book cost of each item, due to the relatively large number or small cost thereof, the average book cost of the items, with due allowance for any differences in size and character, shall be used as the book cost of the items retired.

E. *Land retired.*—The book cost of land retired shall be credited to the appropriate land account. If the land is sold, the difference between the book cost (less any reserve therefor which has been authorized and provided) and the sale price of the land (less commissions and other expenses of making the sale) shall be credited to Account 401, Miscellaneous Credits to Surplus, or debited to Account 414, Miscellaneous Debits to Surplus, as appropriate. If the land is not used in gas service but is retained by the utility, the book cost shall be charged to Account 100.4, Gas Plant Held for Future Use, or Account 110, Other Physical Property, as appropriate.

F. *Gas plant sold.*—When gas plant constituting an operating unit or system is sold, conveyed, or transferred to another by sale, merger, consolidation, or otherwise, the book cost of the property sold or transferred to another shall be credited to the appropriate gas plant accounts, including amounts carried in Account 100.5, Gas Plant Acquisition Adjustments, and the amounts (estimated if not known) carried with respect thereto in the depreciation and amortization reserve accounts and in Account 241, Customers' Advances for Construction, and Account 265, Contributions in Aid of Construction, shall be charged to such reserves and accounts. Unless otherwise ordered by the Commission, the difference, if any, between (a) the net amount of debits and credits and (b) the consideration received for the property (less commissions and other expenses of making the sale) shall be included in Account 414, Miscellaneous Debits to Surplus, or Account 401, Miscellaneous Credits to Surplus, as appropriate. (See Account 392, Gas Plant Sold.)

G. The service value of gas plant retired, which is subject to charges for depreciation, shall be charged in its entirety to Account 250.1, Reserve for Depreciation of Gas Plant. Any amounts which by approval or order of the Commission are charged to Account 141, Extraordinary Property Losses, shall be credited to Account 250.1, Reserve for Depreciation of Gas Plant.

H. The accounting for the retirement of amounts included in Account 302, Franchises and Consents, and Account 303, Miscellaneous Intangible Plant, and the items of limited-term interests in land included in the accounts for land and land rights, shall be as provided in the text of Account 250.2, Reserve for Amortization and Depletion of Producing Natural Gas Land and Land Rights, and Account 503.2, Amortization and Depletion of Producing Natural Gas Land and Land Rights, or Account 251, Reserve for Amortization of Other Limited-Term Gas Investments, and Account 504, Amortization of Other Limited-Term Gas Investments, as appropriate.

I. Additions and retirements of gas plant shall not be netted in the entries or in the posting of the entries.

13. Work Order System Required.

A. All changes in gas plant (except the purchase or sale of gas plant constituting an operating unit or system) shall be recorded by means of work orders or job orders. Separate work orders may be opened for additions to and retirements of gas plant or the retirements may be included with the construction work order, provided, however, that all items relating to retirements shall be kept distinctly separate from those relating to construction, and provided further, that any maintenance costs involved in the work shall likewise be kept distinctly separate.

B. Each utility shall keep its work order system in such manner as to show the nature of each addition to or retirement of gas plant, the total cost thereof, the source or sources of costs, and the gas plant account or accounts to which charged or credited. Work orders covering jobs of short duration may be cleared monthly.

14. Transfers of Property.

When property consisting of one or more retirement units is transferred from one account for gas plant to another or to Account 110, Other Physical Property, from one utility department to another, such as from gas to electric, from one operating division or area to another, to or from Account 100.1, Gas Plant in Service, Account 100.2, Gas Plant Leased to Others, and Account 100.4, Gas Plant Held for Future Use, the transfer shall be recorded by transferring the book cost thereof from the one account, department, or location to the other, and likewise any related amounts carried in Account 100.5, Gas Plant Acquisition Adjustments, in the depreciation reserve, and other accounts shall be transferred in accordance with the segregation of such reserves and other accounts.

NOTE.—Amounts included in Account 250.3, Reserve for Abandoned Leases, shall not be related to a particular lease and, therefore, shall not be transferred under the provisions of this instruction.

15. Common Utility Plant.

A. If the utility is engaged in more than one utility service, such as electric, gas, and street railway, and any of its utility plant is used in common for several utility services or for other purposes to such an extent and in such manner that it is impracticable to segregate it by utility services currently in the accounts, such property may, but only with the approval of the Commission, be designated and classified as "Common Utility Plant."

B. Utility plant designated as common utility plant shall be classified according to the detailed utility plant accounts appropriate for the property.

C. The utility shall be prepared to show at any time and to report to the Commission annually, or more frequently if required, and by utility plant accounts (301 to 392), the following: (1) The book cost of common utility plant, (2) the allocation of such cost to the respective departments using the common utility plant, and (3) the basis of the allocation.

D. The depreciation, amortization, and depletion reserves of the utility shall be so segregated as to show the amount of each reserve applicable to the property classified as common utility plant.

E. The expenses of operation, maintenance, depreciation, amortization, and depletion of common utility plant shall be recorded in the accounts prescribed herein, but designated as common expenses, and the allocation of such expenses to the departments using the common utility plant shall be supported in the same manner as the allocation of the cost of such property.

16. Transmission and Distribution Plant.

For the purpose of this system of accounts:

A. "Transmission system" means the land, structures, mains, valves, meters, boosters, regulators, tanks, compressors, and their driving units and appurtenances and other equipment used primarily for transmitting gas to a particular municipality or distribution system. The transmission system begins at the outlet side of the valve at the connection between the gathering lines or other source of supply and inlet to the transmission compressor station or other gathering terminals, and includes the equipment at such connection that is used to bring the gas to transmission pressure, and ends at the inlet side of the equipment which meters or regulates the entry of gas into the distribution system. It does not include storage land or structures.

B. "Distribution system" means the mains which are provided primarily for distributing gas within a distribution area or for connecting two or more districts within a distribution area, together with land, structures (other than storage land and structures), valves, regulators, services, and measuring devices. The distribution system begins at the inlet side of the equipment which meters or regulates the entry of gas into the distribution system, and ends with, and includes, property on the customers' premises.

GAS PLANT ACCOUNTS

I. Intangible Plant

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

II. Production Plant

A. Manufactured Gas Production Plant

- 311. Land and Land Rights.
 - 311.1 Land.
 - 311.2 Land Rights.
- 312. Structures and Improvements.
- 313. Boiler Plant Equipment.
- 314. Other Power Equipment.
- 315. Benches and Retorts.
- 316. Coke Ovens.
- 317. Producer Gas Equipment.
- 318. Water Gas Generating Equipment.
- 319. Liquefied Petroleum Gas Equipment.
- 320. Other Gas Generating Equipment.
- 321. Coal, Coke, and Ash Handling Equipment.
- 322. Gas Reforming Equipment.
- 323. Purification Equipment.
- 324. Residual Refining Equipment.
- 325. Gas Mixing Equipment.
- 326. Other Production Equipment.

B. Natural Gas Production Plant

B 1. Natural Gas Production and Gathering Plant

- 330.1 Natural Gas Producing Lands.
- 330.2 Natural Gas Producing Leaseholds.
- 330.3 Natural Gas Rights.
- 330.4 Rights-of-Way.
- 330.5 Other Land and Land Rights.
- 331.1 Gas Well Structures.
- 331.2 Field Compressor Station Structures.
- 331.3 Field Measuring and Regulating Station Structures.
- 331.4 Other Production and Gathering System Structures.
- 332.1 Producing Gas Wells--Well Construction.
- 332.2 Producing Gas Wells--Well Equipment.
- 333.1 Field Lines.
- 333.2 Field Compressor Station Equipment.
- 333.3 Field Measuring and Regulating Station Equipment.
- 334. Drilling and Cleaning Equipment.
- 335. Purification Equipment.
- 336. Other Production and Gathering Equipment.

B 2. Products Extraction Plant

- 337.1 Land and Land Rights.
 - 337.11 Land.
 - 337.12 Land Rights.

- 337.2 Structures and Improvements.
- 337.3 Extraction and Refining Equipment.
- 337.4 Pipe Lines.
- 337.5 Extracted Products Storage Equipment.
- 337.6 Compressor Equipment.
- 337.7 Gas Measuring and Regulating Equipment.
- 337.8 Other Equipment.

III. Storage Plant

A. Underground Storage Plant

- 341. Land and Land Rights.
 - 341.1 Underground Storage Land.
 - 341.2 Underground Storage Leaseholds.
 - 341.3 Underground Storage Rights.
 - 341.4 Underground Storage Rights-of-Way.
- 342. Structures and Improvements.
 - 342.1 Underground Storage Well Structures.
 - 342.2 Underground Storage Compressor Station Structures.
 - 342.3 Underground Storage Measuring and Regulating Station Structures.
 - 342.4 Other Underground Storage Structures.
- 343.1 Underground Storage Well Construction.
- 343.2 Underground Storage Well Equipment.
- 343.3 Underground Storage Lines.
- 343.4 Underground Storage Compressor Station Equipment.
- 343.5 Underground Storage Measuring and Regulating Equipment.
- 343.6 Underground Storage Purification Equipment.
- 343.7 Other Underground Storage Equipment.
- 344. Gas in Underground Storage--Noncurrent.

B. Local Storage Plant

- 345. Land and Land Rights.
 - 345.1 Land.
 - 345.2 Land Rights.
- 346. Structures and Improvements.
- 347. Gas Holders.
- 348. Liquefaction and Regasification Equipment.
- 349. Other Local Gas Storage Equipment.

IV. Transmission Plant

- 351. Land and Land Rights.
 - 351.1 Land.
 - 351.2 Land Rights.
- 352. Structures and Improvements.
 - 352.1 Compressor Station Structures.
 - 352.2 Measuring and Regulating Station Structures.
 - 352.3 Other Structures.
- 353. Mains.
- 354.1 Compressor Station Equipment.
- 354.2 Measuring and Regulating Station Equipment.
- 355. Other Transmission System Equipment.

V. Distribution Plant

A. City Gate and Main Line Industrial Measuring and Regulating Stations

- 356.1 Land and Land Rights.
 - 356.11 Land.
 - 356.12 Land Rights.
- 356.2 Structures and Improvements.
- 356.3 Measuring and Regulating Station Equipment.

B. General Distribution System Plant

- 357. Land and Land Rights.
 - 357.1 Land.
 - 357.2 Land Rights.
- 358. Structures and Improvements.
- 359. Mains.
- 360.1 Distribution System Compressor Station Equipment.
- 360.2 Distribution System Measuring and Regulating
Station Equipment.
- 361. Services.
- 362. Meters
- 363. Meter Installations.
- 364. House Regulators.
- 365. House Regulator Installations.
- 366.1 Industrial Measuring and Regulating Station
Equipment.
- 366.2 Other Property on Customers' Premises.
- 367. Other Distribution System Equipment.

VI. General Plant

- 370. Land and Land Rights.
- 371. Structures and Improvements.
- 372. Office Furniture and Equipment.
- 373. Transportation Equipment.
- 374. Stores Equipment.
- 375. Shop Equipment.
- 376. Laboratory Equipment.
- 377. Tools and Work Equipment.
- 378. Communication Equipment.
- 379. Miscellaneous Equipment.
- 390. Other Tangible Property.
- 391. Gas Plant Purchased.
- 392. Gas Plant Sold.

GAS PLANT ACCOUNTS

I. INTANGIBLE PLANT

301. Organization.

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

ITEMS

1. Cost of obtaining certificates authorizing an enterprise to engage in the public utility business.
2. Fees and expenses for incorporation.
3. Fees and expenses for mergers or consolidations.
4. Office expenses incident to organizing the utility.
5. Stock and minute books and corporate seal.

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

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

302. Franchises and Consents.

A. This account shall include amounts paid to the Federal Government, to a State or to a political subdivision thereof in consideration for franchises, consents, or certificates, running in perpetuity or for a specified term of more than 1 year, together with necessary and reasonable expenses incident to procuring such franchises, consents, or certificates of permission and approval.

B. If a franchise, consent, or certificate is acquired by assignment, the charge to this account in respect thereof shall not exceed the amount paid there or by the utility to the assignor, nor shall it exceed the amount paid by the original grantee, plus the expense of acquisition to such grantee. Any excess of the amount actually paid by the utility over the amount above specified shall be charged to Account 414, Miscellaneous Debits to Surplus.

C. When any franchise has expired, the book cost thereof shall be credited hereto and charged to Account 414, Miscellaneous Debits to Surplus, or to Account 251, Reserve for Amortization of Other Limited-Term Gas Investments, as appropriate.

D. This account shall be maintained in such a manner as to show separately the amounts included for perpetual franchises and for limited-term franchises.

NOTE.—Assessments in respect to franchises shall not be included herein but in the appropriate operating expense account.

303. Miscellaneous Intangible Plant.

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

B. When any item included in this account is retired or expires, the book cost thereof shall be credited hereto and charged to Account 414, Miscellaneous Debits to Surplus, or Account 251, Reserve for Amortization of Other Limited-Term Gas Investments, as appropriate.

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

II. PRODUCTION PLANT**A. MANUFACTURED GAS PRODUCTION PLANT****311. Land and Land Rights.**

A. This account shall include the cost of land and land rights used and useful in connection with manufactured gas production. (See Gas plant instruction 9.)

B. This account shall be subdivided as follows:

311.1 Land.

311.2 Land Rights.

312. Structures and Improvements.

This account shall include the cost of structures and improvements used and useful in connection with manufactured gas production. (See Gas plant instruction 10.)

Note.--Include relief holders in this account.

313. Boiler Plant Equipment.

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

ITEMS

1. Accumulators.
2. Air preheaters, including fans and drives, and ducts not part of building.
3. Ash disposal equipment, including sluiceways not part of a building, pumps and piping, crane, ash bucket conveyor and drives, ash cars, etc.
4. Boilers, including valves attached thereto, casings, safety valves, soot blowers, soot hoppers, superheaters, and feed water regulators.
5. Cinder and dust catcher system, including mechanical and electric types.
6. Coal and coke handling equipment, including hoppers, lorries, etc., used wholly for boilers.
7. Combustion control system, including all apparatus installed for the regulation and control of the supply of fuel or air to boilers.
8. Control apparatus.
9. Cranes, hoists, etc., wholly identified with apparatus listed herein.

10. Desuperheaters and reducing valves.
11. Draft apparatus, including forced, induced, and other draft systems, with blowers, fans, and ducts not part of building.
12. Economizers.
13. Feed water heaters, including primary and stage.
14. Flues, uptakes, and breeching, whether or not stacks are included in this account.
15. Foundations and settings, specially constructed for and not intended to outlast the apparatus for which provided.
16. Furnaces.
17. Gas firing system, including gas lines, burners, etc., for gas fired boilers.
18. Injectors.
19. Mechanical stoker and feeding systems, clinker grinders, including drives.
20. Meters, gages, recording instruments, etc.
21. Oil burning equipment, including tanks, heaters, pumps with drives, burner equipment, piping, and conditioning apparatus.
22. Piping system, steam header and exhaust header, including accessory pipe hangers, steam traps, etc., make-up water, feed water, drip, blow-off, water pipe lines used for steam plant, and valve control system.
23. Platforms, railings, steps, gratings, etc., appurtenant to apparatus listed herein.
24. Pulverizing equipment.
25. Pumps and driving units, for feed water, heater condensate, condenser water, and drip.
26. Stacks—brick, steel, and concrete, when set on separate foundations independent of substructure or superstructure of building.
27. Steam reheaters.
28. Steelwork, especially constructed for apparatus listed herein.
29. Tanks, including surge, weighing, return, blow-off, feed water storage.
30. Tar burning equipment for utilization of tar as boiler fuel, including tanks, pumps, burner equipment, piping, etc.
31. Water purification system, including purifiers, settling tanks, filters, chemical mixing and dosing apparatus, etc.

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

NOTE B.—When the system for supplying boiler or condenser water is elaborate, as when it includes a dam, reservoir, canal, or pipe line, the cost shall not be charged to this account but to a special subdivision of Account 312, Structures and Improvements—Manufactured Gas.

314. Other Power Equipment.

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

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

ITEMS

1. Batteries for control and general station use.
2. Belts, pulleys, hangers, shafts, and countershafts.
3. Cables between generators and switchboards.

4. Compartments, including buses, connections and items permanently attached.

5. Engines, including steam rotary or reciprocating, steam turbines, and internal combustion engines.

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

7. Generators, A. C. or D. C., including excitation system.

8. Motor generators, frequency changers, and converters.

9. Overhead lines, including poles, crossarms, insulators, conductors, etc.

10. Piping applicable to apparatus listed herein.

11. Switchboards, including frames, panels, and instruments.

12. Switching equipment, including oil circuit breakers, disconnecting switches, and connections.

13. Transformers.

14. Underground conduit system, including manholes and conductors.

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

315. Benches and Retorts.

This account shall include the cost installed of benches and retorts used for the production of coal gas.

ITEMS

1. Benches.

2. Charging and drawing machines.

3. Control apparatus.

4. Equipment for steaming retorts.

5. Flues, uptakes, and breeching, whether or not stacks are included in this account.

6. Foundations.

7. Fuel handling equipment used exclusively for retorts, including weigh lorries, tracks, etc., and grinders, breakers, and screens located in retort house.

8. Fuel system under retorts, including built-in producers.

9. Piping, including ascension pipes, hydraulic main, liquor flush-decanter tank, liquor pump, and return line to hydraulic main.

10. Primary atmospheric condensers.

11. Retorts—horizontal, inclined, and vertical.

12. Stacks—brick, steel, and concrete, when set on separate foundations independent of substructure and superstructure of building.

316. Coke Ovens.

This account shall include the cost installed of coke ovens used for the production of gas.

ITEMS

1. Apparatus for placing coal in ovens.

2. Clay mixers.

3. Coke and pusher benches.

4. Collecting mains.

5. Control apparatus.

6. Cover lifting machinery.

7. Driving units for coke oven machinery.
8. Flues, uptakes, and breeching.
9. Foundations.
10. Fuel handling equipment used exclusively for coal to be carbonized in ovens.
11. Fuel systems under ovens.
12. Hot coke wharves.
13. Hot coke cars.
14. Ovens.
15. Piping, including ascension pipes, hydraulic main, liquor flushing decanter tank, liquor pump, and return line to hydraulic main.
16. Pushers, including tracks and driving equipment.
17. Quenching towers, piping, etc.
18. Stacks.
19. Steel and iron work supports, platforms, stairways, etc.

317. Producer Gas Equipment.

This account shall include the cost installed of equipment used for the production of producer gas.

ITEMS

1. Ash handling equipment, used exclusively for producers.
2. Blast apparatus, including blowers, driving units, and blast mains.
3. Control apparatus.
4. Coolers and scrubbers.
5. Driving apparatus for producers.
6. Foundations and settings, specially constructed for and not intended to outlast the apparatus for which provided.
7. Fuel handling equipment, used exclusively for producers.
8. Piping—air, steam (commencing at steam header), water (inside of building), and producer gas (up to outlet of final piece of apparatus in building).
9. Producer boosters, including driving units.
10. Producers.
11. Water separators.

318. Water Gas Generating Equipment.

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

ITEMS

1. Automatic operation equipment.
2. Back-run installations.
3. Blast equipment, including blowers and driving units, piping and supports.
4. Carburetors.
5. Control apparatus.
6. Dust collectors.
7. Foundations and settings, specially constructed for and not intended to outlast the apparatus for which provided.
8. Generators.
9. Hydraulic operation equipment.

10. Oil handling and storage apparatus used solely for water gas apparatus.

11. Operating floors and supports, stairways, etc.

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

13. Seal pots.

14. Superheaters and superheater stacks.

15. Valve operating mechanisms.

16. Wash boxes.

319. Liquefied Petroleum Gas Equipment.

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

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

ITEMS

1. Bottling equipment.

2. Carbureting equipment.

3. Compression equipment.

4. Control apparatus.

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

6. Mixing or proportioning equipment.

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

8. Pumps, including driving units.

9. Storage equipment.

10. Valves—regulating and check.

11. Vaporizing equipment.

320. Other Gas Generating Equipment.

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

321. Coal, Coke, and Ash Handling Equipment.

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

ITEMS

1. Bins—mixing, refuse, storage, etc.

2. Breaker equipment.

3. Bridges, bridge track, and machinery.

4. Bucket conveyors.

5. Cars.

6. Chutes.
7. Coal preparation machinery, including washing and drying equipment.
8. Conveyors and supports.
9. Cranes.
10. Driving apparatus for equipment listed herein.
11. Elevators.
12. Foundations and settings, specially constructed for and not intended to outlast the apparatus for which provided.
13. Loading towers and equipment.
14. Locomotives.
15. Pits.
16. Pulverizing equipment.
17. Railroad sidings and yard tracks.
18. Sampling equipment.
19. Scales.
20. Screens.
21. Sheds.
22. Transfer cars and trucks.
23. Trestles.

322. Gas Reforming Equipment.

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

ITEMS

1. Blast equipment, including blowers and driving units, piping, and supports.
2. Control apparatus.
3. Foundations and settings, specially constructed for and not intended to outlast the apparatus for which provided.
4. Fuel and ash handling equipment, used wholly in reforming gas.
5. Oil gas apparatus, used for reforming gas.
6. Piping—steam (commencing at steam header), water (inside of building), and gas (up to outlet of final piece of apparatus in building).
7. Pumps and driving units.
8. Purifiers for gas to be reformed.
9. Regulators.
10. Water gas generators, used primarily for reforming gas.

323. Purification Equipment.

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

ITEMS

1. Condensers and washer coolers.
2. Dehydrators.
3. Foundations and settings, specially constructed for and not intended to outlast the equipment for which provided.

4. Naphthalene and light oil scrubbers.
5. Other accessory equipment such as coolers, spray ponds, pumps, platforms, railings, stairs.
6. Piping—air, steam, water, gas, condensate, liquor, tar, etc., from inlet valve of first piece of apparatus to outlet valve of final piece of apparatus (or, in building, from entrance to building to exit from building).
7. Purifiers—iron oxide or liquid, including first filling.
8. Scrubbers.
9. Sulfur removal apparatus.
10. Tar extractors and Cottrell precipitators.
11. Wash boxes.

324. Residual Refining Equipment.

This account shall include the cost installed of apparatus used in refining and handling of residuals except where the apparatus is necessary for the operation of property included in Account 323, Purification Equipment.

ITEMS

1. Ammonia stills, condensers, etc.
2. Apparatus for removal of residuals from purifier liquids.
3. Condensers.
4. Control apparatus.
5. Coolers.
6. Decanters.
7. Foundations specially constructed for and not intended to outlast the apparatus for which provided.
8. Instruments.
9. Light oil stills, washers, etc.
10. Piping and pumps.
11. Separators.
12. Storage tanks.
13. Tar dehydrators, stills, etc.

325. Gas Mixing Equipment.

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

326. Other Production Equipment.

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

ITEMS

1. Foundations and settings, especially constructed for and not intended to outlast the apparatus for which provided.
2. Odorizing equipment.
3. Office furniture and equipment.

4. Oil foggers.
5. Piping--yard, and not includible in other accounts.
6. Production laboratory equipment.
7. Works exhauster, including driving unit or governor.
8. Works station meters, including gauges, piping, and accessories.

B. NATURAL GAS PRODUCTION PLANT

B 1. Natural Gas Production and Gathering Plant

330.1 Natural Gas Producing Lands.

This account shall include the cost of lands held in fee on which producing natural gas wells are located, and lands held in fee which are being drained of natural gas through the operation by the utility of wells on other land. (See Gas plant instruction 9-I.)

330.2 Natural Gas Producing Leaseholds.

A. This account shall include the cost to the utility of acquiring leaseholds on which the utility pays royalties for natural gas obtained therefrom. (See Gas plant instruction 9-I.)

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

330.3 Natural Gas Rights.

This account shall include the cost to the utility of natural gas rights used in producing natural gas, whereby the utility obtains ownership in gas underlying land not owned or leased by the utility. It does not provide for gas rights which are leased and which are properly chargeable to Account 330.2, Natural Gas Producing Leaseholds.

330.4 Rights-of-Way.

This account shall include the first cost of all interests in land which do not terminate until more than one year after they become effective and on which are located gathering pipe lines, telephone pole lines, and like property used in connection with the production of natural gas.

330.5 Other Land and Land Rights.

This account shall include the cost of land and land rights used in connection with the production of natural gas, when not properly assignable to any of the foregoing accounts.

331.1 Gas Well Structures.

This account shall include the cost of well structures and improvements used in connection with the housing of permanent bailers and other equipment necessary to keep the wells in operation. (See Gas plant instruction 10.)

331.2 Field Compressor Station Structures.

This account shall include the cost of structures and improvements used in connection with the housing of compressor station equipment used to raise the pressure of natural gas before it is conveyed to the terminus of the field lines. (See Gas plant instruction 10.)

331.3 Field Measuring and Regulating Station Structures.

This account shall include the cost of structures and improvements used in connection with the housing of meters, regulators, and appurtenant appliances for measuring and regulating natural gas before it is conveyed to the point where it enters the transmission or distribution system. (See Gas plant instruction 10.)

331.4 Other Production and Gathering System Structures.

This account shall include the cost of structures and improvements used in connection with natural gas production and gathering not provided for elsewhere. (See Gas plant instruction 10.)

332.1 Producing Gas Wells—Well Construction.

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

ITEMS

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

332.2 Producing Gas Wells—Well Equipment.

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

ITEMS

1. Casing.
2. Fittings, including shut-in valves, separators, drips, braden-heads and casing heads.
3. Packing.
4. Boilers and drives permanently connected.
5. Tubing.

333.1 Field Lines.

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

ITEMS

1. Line drips and separators.
2. Gathering lines, including pipe, valves, fittings, and supports.

333.2 Field Compressor Station Equipment.

This account shall include the cost installed of compressor station equipment and associated appliances used to raise the pressure of natural gas before it is conveyed to the point where it enters the transmission or distribution system.

333.3 Field Measuring and Regulating Station Equipment.

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

334. Drilling and Cleaning Equipment.

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

ITEMS

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

335. Purification Equipment.

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

ITEMS

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

336. Other Production and Gathering Equipment.

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

B 2. Products Extraction Plant**337.1 Land and Land Rights**

A. This account shall include the cost of land and land rights used in connection with the processing of natural gas for removal of gasoline, butane, propane, or other salable products. (See Gas plant instruction 9.)

B. This account shall be subdivided as follows:

- 337.11 Land.
- 337.12 Land Rights.

337.2 Structures and Improvements.

This account shall include the cost of structures and improvements used in connection with the processing of natural gas for removal of gasoline, butane, propane, or other salable products. (See Gas plant instruction 10.)

337.3 Extraction and Refining Equipment.

This account shall include the cost installed of equipment used for the extraction from natural gas of gasoline, butane, propane, or other salable products and for the refining of such products.

337.4 Pipe Lines.

This account shall include the cost installed of gas and liquids pipe lines used in connection with the processing of natural gas for the removal of gasoline, butane, propane, or other salable products, exclusive of runs of pipe appropriately includible in other equipment accounts.

337.5 Extracted Products Storage Equipment.

This account shall include the cost installed of storage tanks and associated equipment used in the storing, prior to sale, of gasoline, butane, propane, and other salable products extracted from natural gas.

337.6 Compressor Equipment.

This account shall include the cost installed of compressor station equipment and associated appliances used in connection with the receipt, processing, and return of natural gas processed for removal of gasoline, butane, propane, or other salable products.

337.7 Gas Measuring and Regulating Equipment.

This account shall include the cost installed of meters, gages, and other equipment used in measuring

or regulating natural gas received and/or returned from processing for removal of gasoline, butane, propane, or other salable products.

337.8 Other Equipment.

This account shall include the cost installed of equipment used in processing natural gas and refining gasoline, butane, propane, and other salable products extracted from natural gas, when not assignable to any of the foregoing accounts.

III. STORAGE PLANT

A. Underground Storage Plant

341. Land and Land Rights.

A. This account shall include the cost of land, leaseholds, rights, and rights-of-way, used in connection with the storage of gas in depleted or partially depleted gas or oil fields or other underground reservoirs. (See Gas plant instruction 9.)

B. This account shall be subdivided as follows:

- 341.1 Underground Storage Land.
- 341.2 Underground Storage Leaseholds.
- 341.3 Underground Storage Rights.
- 341.4 Underground Storage Rights-of-Way.

342. Structures and Improvements.

A. This account shall include the cost in place of structures and improvements used wholly or predominantly in connection with underground storage of natural gas. (See Gas plant accounts instruction 10.)

B. This account shall be subdivided as follows:

- 342.1 Underground Storage Well Structures.
- 342.2 Underground Storage Compressor Station Structures.
- 342.3 Underground Storage Measuring and Regulating Station Structures.
- 342.4 Other Underground Storage Structures.

343.1 Underground Storage Well Construction.

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

343.2 Underground Storage Well Equipment.

This account shall include the equipment cost of wells used for injection and withdrawal of gas from underground storage projects.

343.3 Underground Storage Lines.

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

343.4 Underground Storage Compressor Station Equipment.

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

343.5 Underground Storage Measuring and Regulating Equipment.

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

343.6 Underground Storage Purification Equipment.

This account shall include the cost installed of apparatus used wholly or predominantly for the removal of impurities from and the conditioning of, gas delivered to or removed from underground storage fields including pumps, water wells, and other accessory apparatus.

343.7 Other Underground Storage Equipment.

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

344. Gas in Underground Storage--Noncurrent.

A. This account shall include, as of the balance sheet date, the cost of gas in underground storage in excess of that properly classifiable as a current asset according to conventional rules of classification of current assets. (See Account 134, Gas Stored Underground.)

B. No entries shall be made to this account for deliveries to and withdrawals from storage. All such entries shall be made to Account 134, and this account used solely for the purpose of classification of that portion of the total stored gas inventory not classifiable as a current asset in accordance with the instruction of Account 134.

B. Local Storage Plant**345. Land and Land Rights.**

A. This account shall include the cost of land and land rights used in connection with local storage of gas in holders within or adjacent to distribution areas. (See Gas plant instruction 9.)

B. This account shall be subdivided as follows:

- 345.1 Land.
- 345.2 Land Rights.

346. Structures and Improvements.

This account shall include the cost in place of structures and improvements used in connection with local storage of gas within or adjacent to distribution areas. (See Gas plant instruction 10.)

347. Gas Holders.

This account shall include the cost installed of holders and associated appliances used in the storage aboveground, or in underground receptacles installed for local storage purposes.

Note A.--If the utility stores gas by the liquefaction process the holders for such liquids, whether above or below ground, shall be included in a separate subaccount hereunder.

Note B.--Relief holders used in connection with manufactured gas operations shall be included in Account 312, Structures and Improvements--Manufactured Gas.

348. Liquefaction and Regasification Equipment.

This account shall include the cost installed of equipment used to liquefy natural or other gases for storage purposes and to regasify such liquids.

349. Other Local Gas Storage Equipment.

This account shall include the cost installed of other equipment used in connection with the storage of gas within or adjacent to distribution areas.

IV. TRANSMISSION PLANT

351. Land and Land Rights.

A. This account shall include the cost of land and land rights used in connection with transmission operations. (See Gas plant instruction 9.)

B. This account shall be subdivided as follows:

- 351.1 Land.
- 351.2 Land Rights.

352. Structures and Improvements.

A. This account shall include the cost in place of structures and improvements used in connection with transmission operations. (See Gas plant instruction 10.)

B. This account shall be subdivided as follows:

- 352.1 Compressor Station Structures.
- 352.2 Measuring and Regulating Station Structures.
- 352.3 Other Structures.

353. Mains.

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

B. The records supporting this account shall be so kept as to show separately the cost of mains of different sizes and types and of each tunnel, bridge, or river crossing.

ITEMS

1. Drip lines and pots.
2. Excavation, including shoring, bracing, bridging, pumping, back-fill, and disposal of excess excavated material.
3. Municipal inspection.
4. Pavement disturbed, including cutting and replacing pavement, pavement base, and sidewalks.
5. Permits.
6. Pipe coating.
7. Pipe and fittings.
8. Pipe laying.
9. Pipe supports.
10. Protection of street openings.
11. Valves where not installed in pits.

354.1 Compressor Station Equipment.

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

354.2 Measuring and Regulating Station Equipment.

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

355. Other Transmission System Equipment.

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

V. DISTRIBUTION PLANT**A. City Gate and Main Line Industrial Measuring and Regulating Stations****356.1 Land and Land Rights.**

A. This account shall include the cost of land and land rights used in connection with city gate and main line industrial measuring and regulating stations. (See Gas plant instruction 9.)

B. This account shall be subdivided as follows:

356.11 Land.

356.12 Land Rights.

356.2 Structures and Improvements.

This account shall include the cost in place of structures and improvements used in connection with city gate and main line industrial measuring and regulating stations. (See Gas plant instruction 10.)

356.3 Measuring and Regulating Station Equipment.

This account shall include the cost installed of meters, gages, and other equipment used in measuring and regulating gas at city gate and main line industrial measuring and regulating stations.

B. General Distribution System Plant**357. Land and Land Rights.**

A. This account shall include the cost of land and land rights used in connection with distribution operations. (See Gas plant instruction 9.)

B. This account shall be subdivided as follows:

357.1 Land.

357.2 Land Rights.

358. Structures and Improvements.

This account shall include the cost in place of structures and improvements used in connection with distribution operations. (See Gas plant instruction 10.)

359. Mains.

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

B. The records supporting this account shall be so kept as to show separately the cost of mains of different sizes and types and of each tunnel, bridge, or river crossing.

ITEMS

1. Drip lines and pots.
2. Excavation, including shoring, bracing, bridging, pumping, back-fill, and disposal of excess excavated material.
3. Municipal inspection.
4. Pavement disturbed, including cutting and replacing pavement, pavement base, and sidewalks.
5. Permits.
6. Pipe coating.
7. Pipe and fittings.
8. Pipe laying.
9. Pipe supports.
10. Protection of street openings.
11. Valves where not installed in pits.

360.1 Distribution System Compressor Station Equipment.

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

360.2 Distribution System Measuring and Regulating Station Equipment.

This account shall include the cost installed of meters, gages, and other equipment used in measuring and regulating gas in connection with distribution system operations other than the measurement of gas deliveries to customers.

361. Services.

A. This account shall include the cost installed of service pipes, from the point at which the main is tapped to and including the first fitting or valve inside of the building wall, when the utility 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, even if such services have never been used.

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

C. Services which have been used but have become inactive shall be retired or transferred to Account 100.4, Gas Plant Held for Future Use, immediately if there is no prospect of reuse, and, in any event, shall be retired by the end of the second year following that during which the service became inactive unless reused during the interim. No portion of a completed service shall be accounted for as a stub service after the use thereof has been discontinued.

ITEMS

1. Curb valves and curb boxes.
2. Excavation, including shoring, bracing, bridging, pumping, back-fill, and disposal of excess excavated material.

3. Municipal inspection.
4. Pavement disturbed, including cutting and replacing pavement, pavement base, and sidewalks.
5. Permits.
6. Pipe and fittings, including saddle, T, or other fitting on street main.
7. Pipe coating.
8. Protection of street openings.

NOTE.—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.

362. Meters.

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

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

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

ITEMS

1. Meters, including badging and initial testing.

NOTE.—The cost of removing and resetting meters shall be charged to Account 768, Operation of Meters.

363. Meter Installations.

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

B. Except as modified by paragraph C, following, when a meter installation is permanently retired from service, the cost thereof shall be credited to this account.

C. The utility shall maintain records to show the total number of meter installations divided between those in service and those not in service. Meter installations in excess of the number of meters installed, both active and inactive, shall be retired immediately if there is no prospect of reuse, and in any event shall be retired by the end of the second year following that during which the meter was removed, unless reused during the interim.

ITEMS

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|-----------------------|--------------------------|
| 1. Cocks. | 5. Seals. |
| 2. Locks. | 6. Shelves. |
| 3. Meter bars. | 7. Swivels and bushings. |
| 4. Pipe and fittings. | |

364. House Regulators.

A. This account shall include the cost of house regulators whether actually in service or held in reserve.

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

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

365. House Regulator Installations.

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

B. Except as modified by paragraph C, following, when a house regulator installation is permanently retired from service, the cost thereof shall be credited to this account.

C. The utility shall maintain records to show the total number of house regulators divided between those in service and those not in service. House regulator installations in excess of the number of house regulators installed, both active and inactive, shall be retired immediately if there is no prospect of reuse and in any event shall be retired by the end of the second year following that during which the house regulator was removed unless reused during the interim.

ITEMS

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|-----------------------|--------------------------|
| 1. Cocks. | 4. Regulator vents. |
| 2. Locks. | 5. Swivels and bushings. |
| 3. Pipe and fittings. | |

366.1 Industrial Measuring and Regulating Station Equipment.

This account shall include the cost of special and expensive installations of measuring and regulating station equipment, located on the distribution system, serving large industrial customers.

Note.--Do not include in this account measuring and regulating station equipment serving main line industrial customers. (See Account 356.3.)

366.2 Other Property on Customers' Premises.

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

367. Other Distribution System Equipment.

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

VI. GENERAL PLANT

370. Land and Land Rights.

A. This account shall include the cost of land and land rights used for gas utility purposes, the cost of which is not properly includible in other land and land rights accounts. (See Gas plant instruction 9.)

B. Records shall be kept to show separately the cost of land and land rights devoted to the following uses: Office, transportation, stores, shop, laboratory, communication, and miscellaneous.

371. Structures and Improvements.

A. This account shall include the cost in place of structures and improvements used for gas utility purposes, the cost of which is not properly includible in other structures and improvements accounts. (See Gas plant instruction 10.)

B. Records shall be kept to show separately the cost of structures and improvements devoted to the following uses: Office, transportation, stores, shop, laboratory, communication, and miscellaneous.

372. Office Furniture and Equipment.

A. This account shall include the cost of office furniture and equipment owned by the utility and devoted to gas service, and not permanently attached to buildings, except the cost of such furniture and equipment which the utility elects to assign to other plant accounts (such as Account 336, Other Production and Gathering Equipment) on a functional basis. Articles of slight value or short service life acquired subsequent to the commencement of operations shall be charged to the appropriate operating expense account and not to this account.

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

ITEMS

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|-----------------------------------------------|--------------------------------------------------------------------------------|
| 1. Bookcases and shelves. | 7. Library and library equipment. |
| 2. Desks, chairs, and desk equipment. | 8. Mechanical office equipment, such as accounting machines, typewriters, etc. |
| 3. Drafting room equipment. | 9. Safes. |
| 4. Filing, storage, and other cabinets. | 10. Tables. |
| 5. Fire extinguishers (portable). | |
| 6. Floor covering (not permanently attached). | |

373. Transportation Equipment.

A. This account shall include the cost of transportation and garage equipment when such equipment is not an integral part of the housing structures.

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

ITEMS

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|--------------------------------------------|---------------------------------------|
| 1. Airplanes and other aviation equipment. | 11. Greasing tools and equipment. |
| 2. Automobile repair shop equipment. | 12. Horses, wagons, and harness. |
| 3. Automobiles. | 13. Horseshoeing equipment. |
| 4. Barges, scows, and tankers. | 14. Motorcycles. |
| 5. Battery charging equipment. | 15. Motor trucks. |
| 6. Bicycles. | 16. Repair cars or trucks. |
| 7. Drays. | 17. Tractors. |
| 8. Electric vehicles. | 18. Trailers. |
| 9. Gasoline and oil pumps (portable). | 19. Trucks. |
| 10. Gasoline and oil storage tanks. | 20. Tugs. |
| | 21. Other garage or stable equipment. |

374. Stores Equipment.

A. This account shall include the cost of equipment used for the receiving, shipping, handling, and storage of materials and supplies, which are not includible in other accounts.

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

ITEMS

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

375. Shop Equipment.

A. This account shall include the cost installed of equipment specially provided for general shops when such equipment is not an integral part of the housing structure.

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

ITEMS

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|---------------------------------------------------------------------------------------------------------------------|------------------------------------------|
| 1. Anvils. | 10. Furnaces. |
| 2. Belts, shafts, and counter-shafts. | 11. Lathes. |
| 3. Boilers. | 12. Machine tools. |
| 4. Cranes and hoists. | 13. Meter provers. |
| 5. Drill presses. | 14. Motor driven hand tools. |
| 6. Electric equipment. | 15. Motors and engines. |
| 7. Engines. | 16. Pipe threading and cutting machines. |
| 8. Forges. | 17. Pneumatic tools. |
| 9. Foundations and settings specially constructed for and not intended to outlast the apparatus for which provided. | 18. Smithing equipment. |
| | 19. Tool racks. |
| | 20. Vises. |
| | 21. Work benches, etc. |

376. Laboratory Equipment.

A. This account shall include the cost installed of laboratory equipment used for general laboratory purposes and not specially provided for or includible in other utility plant accounts.

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

ITEMS

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|---------------------------------------------------|-----------------------------------------------------------------------------------------|
| 1. Balances and scales. | 12. Oil analysis apparatus. |
| 2. Barometers. | 13. Piping. |
| 3. Calorimeters—bomb, flow, recording types, etc. | 14. Specific gravity apparatus. |
| 4. Electric furnaces. | 15. Standard bottles for meter prover testing. |
| 5. Gas burning equipment. | 16. Stills. |
| 6. Gages. | 17. Sulfur and ammonia apparatus. |
| 7. Glassware, beakers, burrettes, etc. | 18. Tar analysis apparatus. |
| 8. Humidity testing apparatus. | 19. Thermometers — indicating and recording. |
| 9. Laboratory hoods. | 20. Any other item of equipment for testing gas, fuel, flue gas, water, residuals, etc. |
| 10. Laboratory tables and cabinets. | |
| 11. Muffles. | |

377. Tools and Work Equipment.

This account shall include the cost of tools, implements, and equipment used in construction or repair work exclusive of equipment includible in other equipment accounts.

ITEMS

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|---------------------------------------------------------|---------------------------------------|
| 1. Air compressors, including driving unit and vehicle. | 10. Motors. |
| 2. Boilers. | 11. Pile drivers. |
| 3. Concrete mixers and distributors. | 12. Pipe machines. |
| 4. Derricks. | 13. Pneumatic tools. |
| 5. Engines. | 14. Pumps. |
| 6. Forges. | 15. Steam shovels. |
| 7. Furnaces. | 16. Surveying and leveling equipment. |
| 8. Hoists. | 17. Tool carts. |
| 9. Lathes. | 18. Trenching machinery. |

378. Communication Equipment.

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

ITEMS

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|---------------------------------------------------------------------|---------------------------------------------------------------------------------------|
| 1. Antennae. | 13. Radio transmitting and receiving sets. |
| 2. Booths. | 14. Sending keys. |
| 3. Cables. | 15. Storage batteries. |
| 4. Distributing boards. | 16. Switchboards. |
| 5. Extension cords. | 17. Telautograph circuit connections. |
| 6. Gongs. | 18. Telegraph receiving sets. |
| 7. Hand sets, manual and dial. | 19. Testing instruments. |
| 8. Insulators. | 20. Towers. |
| 9. Intercommunicating sets. | 21. Underground conduits used wholly for telephone or telegraph wire and cable wires. |
| 10. Loading coils. | |
| 11. Operators' desks. | |
| 12. Poles and fixtures used wholly for telephone or telegraph wire. | |

379. Miscellaneous Equipment.

This account shall include the cost of equipment, apparatus, etc., used in the utility's gas operations, which is not includible in any other equipment account of this system of accounts.

ITEMS

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|------------------------------------------|------------------------------------|
| 1. Billiard tables, including equipment. | 6. Operators' cottage furnishings. |
| 2. Bowling alleys, including equipment. | 7. Radios. |
| 3. Hospital and infirmary equipment. | 8. Restaurant equipment. |
| 4. Kitchen equipment. | 9. Soda fountains. |
| 5. Miscellaneous recreation equipment. | 10. Other miscellaneous equipment. |

390. Other Tangible Property.

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

391. Gas Plant Purchased.

A. This account shall include the cost of gas plant acquired as an operating unit or system by purchase, merger, consolidation, or otherwise, pending the distribution thereof to the appropriate accounts in accordance with Gas plant instruction 4.

B. Within 6 months from the date of acquisition of property recorded herein, there shall be filed with the Commission the proposed journal entries to clear from this account the cost to the utility of the property acquired.

392. Gas Plant Sold.

A. This account shall be credited temporarily with the selling price of gas plant constituting an operating unit or system, sold, conveyed, or transferred to another through sale, merger, consolidation, or otherwise, pending the completion of the accounting for the transaction as provided in Gas plant instruction 12.

B. Within 6 months from the date of sale or transfer of the property, there shall be filed with the Commission the proposed journal entries to clear from this account the amounts recorded herein.

INSTRUCTIONS—EARNED SURPLUS ACCOUNT

1. Purpose of Earned Surplus Account.

The earned surplus account is the collective title for a group of accounts which form the connecting link between the income account and the balance sheet. The several accounts thereof (400 to 414) are designed to show the changes in earned surplus or deficit during each calendar year resulting from (a) the operations and other transactions during the period as reflected in the income accounts, (b) appropriations or other reservations of earned surplus for specific purposes, (c) accounting adjustments not properly attributable to the period, (d) miscellaneous gains and losses not accounted for elsewhere, and (e) appropriations for dividends.

EARNED SURPLUS ACCOUNT

CREDITS

- 271. Earned Surplus (at beginning of period).
- 400. Credit Balance Transferred from Income Account.
- 401. Miscellaneous Credits to Surplus.
- Total Credits.

DEBITS

- 410. Debit Balance Transferred from Income Account.
- 411. Dividend Appropriations—Preferred Stock.
- 412. Dividend Appropriations—Common Stock.
- 413. Miscellaneous Reservations of Surplus.
- 414. Miscellaneous Debits to Surplus.
- Total Debits.
- 271. Earned Surplus (at end of period).

EARNED SURPLUS ACCOUNT

CREDITS

400. Credit Balance Transferred from Income Account.

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

401. Miscellaneous Credits to Surplus.

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

Credits for amounts previously written off through charges to earned surplus.

Delayed credits to income, operating revenue, and operating expense accounts as provided in General instruction 6.

Profits on retirements of the utility's debt securities. (See Balance sheet instruction 6.)

B. All items included in this account shall be sufficiently described in the entries relating thereto as to identify them with all accounts affected, and if the credits relate to prior years the amount applicable to each fiscal year shall be shown.

DEBITS

410. Debit Balance Transferred from Income Account.

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

411. Dividend Appropriations—Preferred Stock.

A. This account shall include amounts declared payable out of surplus or earnings as dividends on actually outstanding preferred or prior lien capital stock issued by the utility, or the amounts credited to a reserve for dividends.

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

C. This account shall be maintained or supported in such manner as to show separately the dividends on each class and series of preferred stock.

412. Dividend Appropriations—Common Stock.

A. This account shall include amounts declared payable out of surplus or earnings as dividends on actually outstanding common capital stock issued by the utility, or the amounts credited to a reserve for dividends.

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

C. This account shall be maintained or supported in such manner as to show separately the dividends on each class and series of common stock.

413. Miscellaneous Reservations of Surplus.

A. This account shall include the reservations or appropriations of earned surplus for purposes not provided for elsewhere in this system of accounts.

B. The entries to this account shall show the nature of each reservation of earned surplus.

414. Miscellaneous Debits to Surplus.

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

Amounts charged to earned surplus to cover past accrued depreciation, amortization, and depletion not provided for.

Decline in value of investments. (See Balance sheet instruction 4.)

Delayed debits to income, operating revenue, and operating expense accounts, as provided in General instruction 6.

Payments of amounts previously credited to earned surplus.

Losses on reacquirement of utility's debt securities. (See Balance sheet instruction 6.)

Losses which are not properly chargeable to operating expenses or income and for which reserves have not been provided.

B. All items included in this account shall be sufficiently described in the entries relating thereto as to identify them with all accounts affected, and if the charges relate to prior years, the amount applicable to each fiscal year shall be shown.

INSTRUCTIONS—INCOME ACCOUNTS

1. Purpose of Income Accounts.

The income accounts (501 to 540) are designed to show for each month and each calendar year the operating revenues and expenses, the other income, the income deductions, the net income, the miscellaneous reservations of net income, and the amount of income or loss remaining for transfer to earned surplus.

2. Records for Other Income.

The records supporting the other income shall be so kept that the utility can furnish detailed statements of the revenues from each source and the expenses and other deductions related to such revenues.

3. Income from Sinking and Other Funds.

A. Interest and other revenues derived from funds carried in Account 113, Sinking Funds, and Account 114, Miscellaneous Special Funds, shall be credited to Account 525, Revenues from Sinking and Other Funds.

B. When the income is required by a mortgage or other provisions to be held in the fund from which the income arises, an amount equal to the income shall be added to the fund to which it is applicable.

C. When income derived from sinking funds and other special funds is required to be retained in the fund and the fund is represented by a reserve, the amount of such income accretions to the fund shall be credited to the appropriate reserve account and charged to Account 540, Miscellaneous Reservations of Net Income, or Account 413, Miscellaneous Reservations of Surplus, as appropriate.

4. Rents Includible in Income Accounts.

A. Rents which the utility receives from others for gas operating property, the investment in which is properly includible in Account 100.2, Gas Plant Leased to Others, shall be recorded in Account 508, Income from Gas Plant Leased to Others. Rentals from gas property owned by the utility and properly includible in Account 100.1, Gas Plant in Service, shall be credited to Account 610, Rent from Gas Property.

B. All expenses, including the provisions for depreciation and amortization and depletion, if any, applicable to property, the income from which is included in Account 508, Income from Gas Plant Leased to Others, shall be charged to that account.

INCOME ACCOUNTS

I. UTILITY INCOME

- Gas operating income:
- 501. Operating Revenues.
Operating Revenue Deductions:
- 502. Operating Expenses.
- 503.1 Depreciation.
- 503.2 Amortization and Depletion of Producing Natural Gas Land and Land Rights.
- 504. Amortization of Other Limited-Term Gas Investments.
- 505. Amortization of Gas Plant Acquisition Adjustments.
- 506. Property Losses Chargeable to Operations.
- 507. Taxes.
Total Operating Revenue Deductions.
Net Operating Revenues.
- 508. Income from Gas Plant Leased to Others.
Gas Operating Income.
- 509. Other Utility Operating Income.
Utility Income.

II. OTHER INCOME

- 520. Income from Merchandising, Jobbing, and Contract Work.
- 521. Income from Nonutility Operations.
- 522. Revenues from Lease of Other Physical Property.
- 523. Dividend Revenues.
- 524. Interest Revenues.
- 525. Revenues from Sinking and Other Funds.
- 526. Miscellaneous Nonoperating Revenues.
- 527. Nonoperating Revenue Deductions.
Total Other Income.
Gross Income.

III. INCOME DEDUCTIONS

- 530. Interest on Long-Term Debt.
- 531. Amortization of Debt Discount and Expense.
- 532. Amortization of Premium on Debt—Cr.
- 533. Taxes Assumed on Interest.
- 534. Interest on Debt to Associated Companies.
- 535. Other Interest Charges.
- 536. Interest Charged to Construction—Cr.
- 537. Miscellaneous Amortization.
- 538. Miscellaneous Income Deductions.
Total Income Deductions.
Net Income.

IV. DISPOSITION OF NET INCOME

- 540. Miscellaneous Reservations of Net Income.
Balance Transferred to Earned Surplus.

I. UTILITY INCOME

501. Operating Revenues.

Under this caption shall be included the total operating revenues shown in the primary revenue accounts 600 to 619, derived by the utility from its utility operations during the period covered by the income account.

502. Operating Expenses.

Under this caption shall be included the total expenses shown in accounts 701 to 809, incurred by the utility in its gas operations during the period covered by the income account.

503.1 Depreciation.

A. This account shall include the depreciation expense applicable to gas plant in service and in process of reclassification (accounts 100.1 and 100.6) for the period covered by the income account, except such depreciation expense as may be charged to clearing accounts or to construction work in progress, or to Account 508, Income from Gas Plant Leased to Others.

B. This account shall be subdivided as follows:

- 503.11 Depreciation of Production Plant--
Manufactured Gas.
- 503.12 Depreciation of Production Plant--
Production and Gathering of Natural Gas.
- 503.13 Depreciation of Production Plant--
Products Extraction, Natural Gas.
- 503.14 Depreciation of Storage Plant--
Underground Gas Storage.
- 503.15 Depreciation of Storage Plant--
Local Storage.
- 503.16 Depreciation of Transmission Plant.
- 503.17 Depreciation of Distribution Plant.
- 503.18 Depreciation of General Plant.

503.2 Amortization and Depletion of Producing Natural Gas Land and Land Rights.

A. This account shall include the charges applicable to the period covered by the income account for amortization and depletion of producing natural gas land and land rights. (See Account 250.2, Reserve for Amortization and Depletion of Producing Natural Gas Land and Land Rights.)

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

504. Amortization of Other Limited-Term Gas Investments.

This account shall include the amount of amortization expenses for the period covered by the income account applicable to the amounts included in gas plant accounts for limited-term franchises, licenses, patent rights, and limited-term interests in land other than land rights held for the production of natural gas. The charges to this account shall be such as to distribute the book cost of each investment as evenly as may be over the period of its benefit to the utility. (See Account 251, Reserve for Amortization of Other Limited-Term Gas Investments.)

505. Amortization of Gas Plant Acquisition Adjustments.

A. This account shall be debited or credited, as the case may be, with amounts includible in operating revenue deductions for the purpose of providing for the extinguishment of the amount in Account 100.5, Gas Plant Acquisition Adjustments, pursuant to approval or order of the Commission.

B. Amounts recorded in this account shall be concurrently debited or credited, as the case may be, to Account 252, Reserve for Amortization of Gas Plant Acquisition Adjustments.

506. Property Losses Chargeable to Operations.

This account shall be charged with amounts credited to Account 141, Extraordinary Property Losses, when the Commission has authorized the amount in the latter account to be amortized by charges to operations.

507. Taxes.

A. This account shall include the amount of Federal, State, county, municipal, and other taxes, which are properly chargeable to gas operations. (See account 228.)

B. This account shall be charged each month with the amount of taxes which are applicable thereto, and concurrent credits shall be made to Account 228, Taxes Accrued. When it is necessary to apportion taxes to gas operations, full details as to the method of and facts considered in the apportionment shall be recorded.

C. When it is not possible to determine the exact amount of taxes, the amount shall be estimated and the estimate for the period charged to this account, and adjustments shall be made as the actual tax levies become known.

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

E. The charges to this account shall be made or supported so as to show the amount of each kind of tax, and the basis upon which each charge is made.

NOTE A.—Gasoline and other sales taxes shall be charged as far as practicable to the account to which the material on which the tax is levied is charged.

NOTE B.—Taxes assumed by the utility on interest shall be charged to Account 533, Taxes Assumed on Interest.

NOTE C.—Taxes on nonoperating property the income from which is included in Account 521, Income from Nonutility Operations, shall be charged to that account, and taxes on property the income from which is included in Account 522, Revenues from Lease of Other Physical Property, shall be charged to Account 527, Nonoperating Revenue Deductions.

NOTE D.—Taxes on property leased to others, the revenue from which is included in Account 508, Income from Gas Plant Leased to Others, shall be charged to that account.

NOTE E.—For taxes chargeable to merchandising, jobbing, and contract work and to clearing accounts, see account 789 and accounts 901 to 906.

NOTE F.—Amounts payable annually or more frequently under the terms of franchises shall be included in Account 805, Franchise Requirements.

NOTE G.—Special assessments for street and similar improvements shall be included in the gas plant account in which the property with which the taxes are identified is included.

NOTE H.—Taxes applicable to construction shall be charged to Account 100.3, Construction Work in Progress.

508. Income from Gas Plant Leased to Others.

A. This account shall include the rental income from gas property constituting a distinct operating unit or system leased by the utility to others, and which property is properly includible in Account 100.2, Gas Plant Leased to Others.

B. This account shall be subdivided as follows:

508.1 Revenues from Plant Leased to Others.

508.2 Expenses of Plant Leased to Others.

C. This account shall be so kept or supported as to show separately the following for each lease:

Rentals.

Expenses.

Depreciation, amortization, and depletion.

Taxes.

Uncollectible rents.

509. Other Utility Operating Income.

A. Under this caption shall be included revenues received and expenses incurred in connection with operations of utility plant, the book cost of which is included in Account 108, Other Utility Plant.

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

II. OTHER INCOME**520. Income from Merchandising, Jobbing, and Contract Work.**

A. This account shall include all revenues derived from and expenses incurred in the sale of gas merchandise and jobbing or contract work, including any profit or commission accruing to the utility on jobbing work performed by it as agent under agency contracts, whereunder it undertakes to do jobbing work for another for a stipulated profit or commission.

B. The account shall be subdivided as follows:

520.1 Revenues from Merchandising, Jobbing, and Contract Work.

520.2 Costs and Expenses of Merchandising, Jobbing, and Contract Work.

Account 520.2 shall further be subdivided so as to show the major items of costs and expenses.

NOTE.—The income from gas merchandising, jobbing, and contract work shall be reported in this account if State statutes or orders of the commission having jurisdiction over the utility require such income to be reported as a nonoperating income item, but the amount shall be reported in Account 789, Merchandising, Jobbing, and Contract Work, if the statutes or orders of the commission permit the income to be reported as an operating income or expense item. (See account 789 for list of items.)

521. Income from Nonutility Operations.

A. This account shall include the revenues from and the expenses incurred in nonutility operations.

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

C. Subdivide this account as follows:

521.1 Revenues from Nonutility Operations.

521.2 Expenses of Nonutility Operations.

522. Revenues from Lease of Other Physical Property.

A. This account shall include all rent revenues from land, buildings, or other property not devoted to utility operations.

B. All expenses, such as repairs, depreciation, taxes, uncollectible rents, etc., incurred in connection with the property leased, shall be charged to Account 527, Nonoperating Revenue Deductions.

523. Dividend Revenues.

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

NOTE A.—No amount representing dividends receivable shall be included in this account unless the dividends have been declared or guaranteed.

NOTE B.—No dividends on reacquired securities issued or assumed by the utility shall be included in this account.

NOTE C.—Dividend revenues from securities held in sinking or other special funds shall not be credited to this account but to Account 525, Revenues from Sinking and Other Funds.

524. Interest Revenues.

Report by this caption the amounts included in accounts 524.1 and 524.2.

524.1 Interest on Securities Owned.

This account shall include interest revenues on investments in securities of other companies.

NOTE A.—Interest accrued shall not be credited to this account unless its payment is reasonably assured.

NOTE B.—Interest upon reacquired securities issued or assumed by the utility shall not be credited to this account.

NOTE C.—Interest on securities held in sinking or other special funds shall not be included in this account but in Account 525, Revenues from Sinking and Other Funds.

NOTE D.—This account may include for each month the applicable amount requisite to extinguish (during the interval between the date of acquisition and the date of maturity) the difference between the cost to the utility and the par value of securities on which the interest is received. Amounts thus credited or charged shall be concurrently included in the accounts in which the securities are carried. (See Balance sheet instruction 4.)

524.2 Other Interest Revenues.

This account shall include interest revenue on loans, notes, advances, special deposits, and all other interest bearing assets, except as provided in account 524.1.

NOTE.—Interest accrued shall not be credited to this account unless its payment is reasonably assured.

525. Revenues from Sinking and Other Funds.

A. This account shall include all revenues (whether interest or dividends) accrued on cash, securities, or other assets held in Account 113, Sinking Funds, and Account 114, Miscellaneous Special Funds.

B. This account may include for each month the applicable amount requisite to extinguish (during the interval between the date of acquisition and the date of maturity) the difference between the cost to the utility and the par value of debt securities held in sinking or other funds. Amounts thus credited or charged shall be concurrently included in the accounts in which the securities are carried. (See Balance sheet instruction 4.)

C. This account covers all revenues from sinking and other funds carried in accounts 113 and 114, whether or not such revenues are

required to be retained in the funds. If the revenues are required to be retained in a special fund and the fund is represented by a reserve, the amount of such accretions to the fund shall be concurrently credited to the appropriate reserve account and charged to Account 540, Miscellaneous Reservations of Net Income, or Account 413, Miscellaneous Reservations of Surplus, as appropriate.

526. Miscellaneous Nonoperating Revenues.

This account shall include all revenue items, properly includible in the income account and not provided for elsewhere.

ITEMS

1. Fees collected in connection with the exchange of coupon bonds for registered bonds.
2. Profits from operations of others realized by the utility under contracts.

527. Nonoperating Revenue Deductions.

A. This account shall include the expenses, taxes, and uncollectible bills applicable to the period covered by the income account which are associated or incurred in connection with the revenues which are includible in accounts 522 to 526, inclusive, and miscellaneous nonoperating expenses not provided for elsewhere.

B. This account shall be maintained or supported in such manner as to disclose the expenses or deductions applicable to each nonoperating revenue account.

III. INCOME DEDUCTIONS

530. Interest on Long-Term Debt.

A. This account shall include in each accounting period the amount of interest applicable thereto on outstanding long-term debt issued or assumed by the utility, the liability for which is included in Account 210, Bonds, Account 211, Receivers' Certificates, or Account 213, Miscellaneous Long-Term Debt.

B. The amount charged to this account shall be credited concurrently to Account 229.1, Interest Accrued on Long-Term Debt.

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

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

531. Amortization of Debt Discount and Expense.

A. This account shall include in each accounting period the portion of unamortized debt discount and expense on outstanding long-term debt which is applicable to such period.

B. The amount of unamortized debt discount and expense chargeable to each accounting period shall be determined in accordance with Balance sheet instruction 6.

C. Amounts charged to this account shall be credited concurrently to Account 140, Unamortized Debt Discount and Expense.

532. Amortization of Premium on Debt—Cr.

A. This account shall include in each accounting period the portion of unamortized premium on outstanding long-term debt which is applicable to such period.

B. The amount of unamortized premium on debt includible in each accounting period shall be determined in accordance with Balance sheet instruction 6.

C. Amounts credited to this account shall be charged concurrently to Account 240, Unamortized Premium on Debt.

533. Taxes Assumed on Interest.

This account shall include amounts paid to holders of the bonds or other indebtedness of the utility, or amounts paid to governmental agencies in their behalf in respect to income and other taxes levied against the income from such debt or levied as a tax on ownership of the debt, where such taxes are assumed by the utility.

534. Interest on Debt to Associated Companies.

There shall be reported by this caption the amounts included in accounts 534.1 and 534.2.

534.1 Interest on Advances from Associated Companies.

A. This account shall include interest accrued on amounts included in Account 212, Advances from Associated Companies.

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

534.2 Interest on Other Debt to Associated Companies.

A. This account shall include interest accrued on amounts recorded in Account 223.1, Notes Payable to Associated Companies, on amounts recorded in Account 223.2, Accounts Payable to Associated Companies, and on any other obligation to associated companies, except advances from such companies, the interest on which is includible in account 534.1.

B. The records supporting the entries to this account shall be so kept as to show to whom the interest is to be paid, the period covered by the accrual, the rate of interest, the nature of the obligation on which accrued, and the account or accounts credited with the accrual.

535. Other Interest Charges.

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

B. A list of some of the items of indebtedness, the interest on which is chargeable to this account follows:

Assessments for public improvements past due.

Claims and judgments.

Customers' deposits.

Notes payable on demand or maturing 1 year or less from date, except notes payable to associated companies.

Open accounts, except with associated companies.

Tax assessments past due.

536. Interest Charged to Construction—Cr.

This account shall include concurrent credits for interest charged to construction in accordance with Gas plant instruction 5 (17).

537. Miscellaneous Amortization.

This account shall include amortization expenses not elsewhere provided for in this system of accounts, and also such amounts as the Commission may, by order, require to be included herein, such as amortization of amounts in Account 100.5, Gas Plant Acquisition Adjustments.

538. Miscellaneous Income Deductions.

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

ITEMS

1. Decline in value of investments. (See Balance sheet instruction 4.)
2. Donations.
3. Expenditures for associated companies for which the utility will not be reimbursed.

IV. DISPOSITION OF NET INCOME**540. Miscellaneous Reservations of Net Income.**

A. This account shall include reservations of net income, such as may be required under the terms of mortgages, deeds of trust, orders of courts, contracts, or other agreements, and other reservations of net income.

B. Amounts charged to this account shall be credited concurrently to the appropriate reserve account.

C. The entries in this account shall show the nature of each reservation of income.

INSTRUCTIONS—OPERATING REVENUE ACCOUNTS

1. Purpose of Operating Revenue Accounts.

The operating revenue accounts (600 to 619) are designed to show the amounts of money which the utility becomes entitled to receive from furnishing gas utility service and from service incidental thereto, including amounts for services rendered but not yet billed, where the utility exercises its option and records on its books such accrued gas revenue. (See Account 130, Accrued Utility Revenues.)

2. Basis of Credits to Operating Revenue Accounts.

A. Credits to the operating revenue accounts shall be made on the basis of the net price charged. Discounts forfeited and penalties charged for delayed payments shall be credited to Account 612, Customers' Forfeited Discounts and Penalties. Corrections of overcharges and overcollections theretofore credited, authorized abatements and allowances, and other corrections shall be charged to the revenue accounts to which they relate.

B. Separate subdivisions shall be maintained under each revenue account, as appropriate, for revenues derived from sales of gas on an unmetered basis.

3. Commissions on Gas Sales.

If the utility distributes all or a part of its gas through an agent but the sales are made to consumers under rate schedules filed by the utility, then the utility shall credit its revenue accounts with the full amount of sales to consumers. The commission paid to the agent shall be charged to Account 804, Commissions Paid Under Agency Sales Contracts, and any distribution expenses charged by the agent shall be debited to the appropriate expense accounts. Agents shall credit the amount of commissions earned to Operating Revenue Account 619, Miscellaneous Gas Revenues.

4. Gas Supplied Without Direct Charge.

Gas supplied to municipalities, or to other governmental units, without charge, in accordance with franchise and similar requirements, shall be charged to Account 805, Franchise Requirements, and credited concurrently to Account 806, Duplicate Miscellaneous Charges—Cr.

5. Gas Used by Utility.

A. If the utility desires to charge the appropriate accounts in any of its gas operations with the cost of gas used from its own supply, the credit therefore shall not be made to operating revenue accounts, but to the appropriate duplicate charges credit account.

B. Gas supplied by the utility from its own supply to other departments shall be accounted for in the following manner: If the gas is supplied under a definite arrangement whereby the actual costs, by accounts, are allocated between or among the departments using the

gas, the credit in the accounts of the gas department shall be made to the appropriate joint expense credit account or accounts, except that the amount of any return or interest, and the amount of depreciation and taxes charged against the other departments shall be credited to Account 611, Interdepartmental Rents. If the charges are at specified rates or at tariff rates for the gas supplied, then the entire amount charged shall be credited to Account 607, Interdepartmental Sales.

6. Supporting Records.

Each utility shall so keep the records supporting the entries to each gas operating revenue account that it can furnish (1) the name of each customer, (2) the quantity (uniform basis of measurement) of gas furnished to each customer, (3) the amount charged for gas furnished each customer, and (4) the rate schedule or schedules under which the charge is made. Each utility shall also be prepared to report, upon request, within a reasonable time, for each month or other billing period and for each year, the quantity of gas sold and the charges therefor, by rate schedules.

7. Segregation of Sales to Associated Companies.

The utility shall keep its records in such manner as to be able to report by rate schedules the quantity of gas sold and the amount received therefor on sales to each associated company.

OPERATING REVENUE ACCOUNTS

I. Gas Service Revenues

- 600. Residential Sales.
- 602. Commercial and Industrial Sales.
- 603. Public Street and Highway Lighting.
- 604. Other Sales to Public Authorities.
- 605. Sales to Other Gas Utilities.
- 607. Interdepartmental Sales.
- 608. Other Sales.

II. Other Gas Revenues

- 610. Rent from Gas Property.
- 611. Interdepartmental Rents.
- 612. Customers' Forfeited Discounts and Penalties.
- 614. Servicing of Customers' Installations.
- 615. Revenue from Transportation of Gas of Others.
- 616. Sales of Products Extracted from Natural Gas.
 - 616.1 Gasoline Sales.
 - 616.2 Butane Sales.
 - 616.3 Propane Sales.
 - 616.4 Other Extracted Products Sales.
- 617. Revenues from Natural Gas Processed by Others.
- 618.1 Incidental Gasoline Sales.
- 618.2 Incidental Oil Sales.
- 619. Miscellaneous Gas Revenues.

I. GAS SERVICE REVENUES**600. Residential Sales.**

A. This account shall include revenues from gas supplied for residential purposes.

B. When gas supplied through a single meter is used for both residential and commercial purposes, the total revenue shall be included in this account, or in Account 602, Commercial and Industrial Sales, according to the principal use.

602. Commercial and Industrial Sales.

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

B. When gas supplied through a single meter is used for both commercial and residential purposes, the total revenue shall be included in this account, or in Account 600, Residential Sales, according to the principal use.

C. This account shall be subdivided as follows:

602.1 Commercial Sales.

602.2 Industrial Sales.

603. Public Street and Highway Lighting.

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

604. Other Sales to Public Authorities.

This account shall include the revenues from the sale of gas supplied to municipalities or divisions, or agencies of Federal or State governments, under special contracts or agreements or service classification applicable only to public authorities, except such revenues as are includible in accounts 603 and 605.

605. Sales to Other Gas Utilities.

A. This account shall include revenues from gas supplied to other gas utilities or to public authorities for redistribution.

B. Revenues from gas supplied to other public utilities, for use by them and not for distribution, shall be included in account 602, unless supplied under the same contract as and not readily separable from revenues includible in this account.

607. Interdepartmental Sales.

This account shall include the amounts charged to other departments of the utility by the gas department for gas supplied by the latter, if the charges are at tariff or other specified rates for the gas supplied. (See Operating revenue instruction 5 and Account 611, Interdepartmental Rents.)

608. Other Sales.

This account shall include revenues derived from sales of gas which are not properly includible in the revenue accounts 600 to 607, inclusive.

II. OTHER GAS REVENUES**610. Rent from Gas Property.**

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

B. When the utility employs some of its gas plant for the benefit of another or others under a definite arrangement for apportioning the actual expenses by accounts among the several participants in the arrangement, and such arrangement provides for the receipt by the accounting utility of any profit or return upon its property, such profit or return, together with the amount of depreciation and taxes charged to another or others pursuant to the arrangement, shall be credited to this account. (See Operating expense instruction 6.)

NOTE.—Do not include rents from property constituting an operating unit or system in this account. (See Account 508, Income from Gas Plant Leased to Others.)

611. Interdepartmental Rents.

This account shall include the rents creditable to the gas department on account of rental charges made against other departments of the utility. In the case of property operated under a definite arrangement to allocate the costs, by accounts, among the departments using the property, the reimbursement to the gas department for operating and maintenance expenses shall be credited to the appropriate joint expense credit account or accounts, but the reimbursement for interest or return and depreciation and taxes shall be credited to this account. (See Operating expense instruction 6.)

NOTE.—Charges for gas supplied other departments at tariff or other specified rates shall not be included in this account but in Account 607, Interdepartmental Sales. (See Operating revenue instruction 5.)

612. 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.

614. Servicing of Customers' Installations.

This account shall include revenues accruing to the utility from charges to customers on account of the maintenance of appliances, piping, or other installations on customers' premises.

615. Revenue from Transportation of Gas of Others.

This account shall include all revenue accruing to the utility from other companies for transmitting gas through its production, transmission, and distribution lines or compressor stations.

616. Sales of Products Extracted from Natural Gas.

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

B. This account shall be subdivided as follows:

- 616.1 Gasoline Sales.
- 616.2 Butane Sales.
- 616.3 Propane Sales.
- 616.4 Other Extracted Products Sales.

617. Revenues from Natural Gas Processed by Others.

This account shall include the revenue derived from royalties and permits or other basis of settlement for permission granted others for the right to remove products from natural gas.

618.1 Incidental Gasoline Sales.

This account shall include the revenue derived from natural gas gasoline produced direct from gas wells, recovered from drips, and procured in connection with purification processes.

618.2 Incidental Oil Sales.

This account shall be credited with revenues derived from the sale of oil produced from wells which produce oil and gas, the investment in which is carried in Account 332, Producing Gas Wells.

619. Miscellaneous Gas Revenues.

This account shall include revenues derived from gas operations not includible in any of the foregoing accounts. This covers such items as fees and charges for changing, connecting and disconnecting service, profit on the sale of materials and supplies not ordinarily purchased for resale, commissions on sales or distribution of gas of others (sold under rates filed by such others), management or supervision fees, and sale of steam (except where the utility furnishes steam heating service).

INSTRUCTIONS—OPERATING EXPENSE ACCOUNTS

1. Purpose of Operating Expense Accounts.

The operating expense accounts (701 to 809) are designed to show in detail the cost (except depreciation, amortization and depletion, certain property losses, and taxes) of furnishing gas utility service. (See General instructions 6 and 7.)

2. Maintenance, Cost of.

A. The cost of maintenance chargeable to the various operating expense accounts and to clearing accounts includes labor, materials, overhead, and other expenses incurred in maintenance work, such as:

Associated costs of local plant supervision.

Cost of transportation, shop and stores expense, and use of tools and implements.

Cutting and replacing pavement, pavement base, and sidewalks in connection with repairs.

Inspecting and testing after repairs have been made.

Inspecting, testing, and reporting on the condition of gas plant in service specifically to determine the need for repairs, minor replacements, rearrangements, and changes.

Replacing minor items of plant. (See Gas plant instruction 12-C.)

Rearranging and changing the location of property not retired.

Repairing materials for reuse.

Restoring the condition of property damaged by storms, breakage, floods, fire, accident, or other casualties. (See par. B, below.)

Restoring the condition of property damaged by wear and tear, decay, or action of the elements. (See par. B, below.)

Routine work (see also par. B, below) to prevent trouble.

Testing for, locating, and clearing trouble, including stopping leaks.

Training employees for maintenance work.

B. The cost of maintenance does not include the cost of replacing items of property designated as "units of property." (See Gas plant instruction 12.)

C. Materials recovered in connection with the maintenance of property shall be credited to the same account to which the maintenance cost was charged.

D. If the book cost of any property is carried in Account 391, Gas Plant Purchased, the cost of maintaining such property shall be charged to the accounts for maintenance of property of the same class and use, the book cost of which is carried in other gas plant in service accounts. Maintenance of property leased from others shall be treated as provided in Operating expense instruction 5.

3. Salvage and Insurance.

A. Salvage and insurance recovered in connection with maintenance jobs shall be credited to the appropriate maintenance accounts.

B. If the amount of insurance recovered is relatively large, and is received before the repairs have been completed, a disproportionate credit to operating expenses may be avoided by crediting the amount of the insurance recovered to a suspense account, to which the cost of repairs shall then be charged to the extent covered by insurance.

C. Insurance recovered in connection with personal injuries charged to Account 799, Injuries and Damages, shall be credited to that account.

D. Dividends distributed by mutual insurance companies shall be credited to the accounts to which the insurance premiums were charged.

E. Recoveries under fidelity bonds shall be credited to the account charged with the loss.

4. Supervision and Engineering.

The supervision and engineering includible in the operating expense accounts shall consist of the pay and expenses (company and railroad transportation, lodging, meals, taxi, and carfares and other traveling and incidental expenses) of superintendents, engineers, clerks, other employees, and consultants engaged in supervising and directing the operations and maintenance of each gas utility function; also office supplies and expenses, including the maintenance of office furniture and equipment. Wherever allocations are necessary in order to arrive at the amount to be included in any account, the method and basis of allocation shall be preserved.

5. Operating Rents.

A. Rent expense accounts are provided under each functional group of expense accounts. These accounts shall be charged with all rents paid for property used in gas operations. If the rents cover property used for more than one function, such as production and transmission, the rents shall be apportioned to the appropriate rent expense accounts on an actual, or, if necessary, an estimated basis.

B. Rents paid for property devoted to operations for which clearing accounts are used shall be charged to the appropriate clearing account.

C. The cost, when incurred by the lessee, of operating and maintaining leased property, shall be charged to the accounts appropriate for the expense if the property were owned.

D. Taxes paid by the lessee upon leased property shall be charged to the appropriate rent expense or clearing account.

E. When the lessee is responsible for the replacement of gas plant leased from others, the cost of replacements shall be charged to the appropriate rent expense or clearing account, unless a reserve therefor has been provided, in which event the charge shall be to the reserve. (See Gas plant instruction 7.)

F. When a portion of property or equipment rented from others for use in connection with gas operations is subleased, the revenue derived from such subleasing shall be credited to Account 610, Rent from Gas Property; provided, however, that in case the rent was charged to a clearing account, amounts received from subleasing the property shall be credited to such clearing account.

G. If leased property is used by more than one department, the rental on such property shall be apportioned to the appropriate rent or clearing accounts of the various departments of the utility.

H. Property operated jointly by the utility and another or others under a definite arrangement whereby the actual segregated costs are shared between or among the parties shall be considered for the purpose of this system of accounts as a joint facility, and the accounting in connection therewith shall be handled as provided in Operating expense instruction 6, following.

6. Joint Facility Rents and Expenses.

A. A joint facility for the purpose of this system of accounts is defined as any property occupied or used jointly by the utility and another or others under a definite arrangement whereby the actual segregated costs are shared between or among the parties. Property of the utility occupied or used under a similar definite arrangement between the gas department and a coordinate department or departments shall likewise be considered as a joint facility. (See Operating revenue instruction 5.)

B. Where the utility owns the joint facility, any amount received or transferred as reimbursement of operating or maintenance expenses shall be credited to the appropriate "joint expense—credit" or clearing account. Amounts received or transferred covering depreciation, taxes, and interest or return, shall be credited, in the case of another or others, to Account 610, Rent from Gas Property, and in the case of coordinate departments to Account 611, Interdepartmental Rents.

C. Any amount paid by or transferred to the utility for occupancy or use of a joint facility shall be charged to the appropriate "joint expense—debit" or clearing account or accounts.

D. In the event that joint facilities are used by either party in connection with construction work, credits for the full amount received and charges for the full amount paid, as the case may be, shall be made direct to the construction accounts affected.

E. These instructions are not intended to cover cases of joint ownership of property where each joint owner bears the cost of operating and maintaining its own property. In such cases the cost of operation and maintenance shall be recorded in the appropriate operating expense accounts other than the "joint expense" debit or credit accounts even though one of the joint owners operates or maintains the property and bills against other owners for all or a portion of the expenses incurred.

F. Gas supplied by the utility from its own supply to a coordinate department shall be accounted for as provided in Operating revenue instruction 5. If the utility desires to charge the appropriate accounts in any of its gas operations with the cost of gas used from its own supply, credit therefor shall not be made to joint expense accounts but to the appropriate duplicate charges credit account.

G. If the arrangement regarding use of facilities does not provide for the allocation of actual segregated costs, the facilities shall not be considered as joint

OPERATING EXPENSE ACCOUNTS

I. Production Expenses

A. Manufactured Gas Production

Operation

- B A 701. Operation Supervision and Engineering.
- B A 702. Boiler and Other Power Labor.
- B 703. Coal Gas and Producer Gas Labor.
 - A 703.1 Retort Labor.
 - A 703.2 Coke Oven Labor.
 - A 703.3 Producer Gas Labor.
- B 704. Gas Generating Labor.
 - A 704.1 Water Gas Generating Labor.
 - A 704.2 Liquefied Petroleum Gas Regasifying Labor.
 - A 704.3 Other Gas Generating Labor.
 - A 704.4 Gas Reforming Labor.
- B A 705. Purification Labor.
- B A 706. Gas Mixing Labor.
- B A 707. Miscellaneous Production Labor.
- B A 708. Boiler Fuel.
- B A 709. Water.
- B A 710. Fuel Under Retorts.
- B A 711. Fuel Under Coke Ovens.
- B A 712. Producer Gas Fuel.
- B A 713. Fuel for Liquefied Petroleum Gas Processes.
- B A 714.1 Coal Carbonized in Retorts.
- B A 714.2 Coal Carbonized in Coke Ovens.
- B A 715. Water Gas Generator Fuel.
- B A 716. Oil for Water Gas.
- B A 717. Gas Enricher.
- B A 718. Liquefied Petroleum Gas.
- B A 719. Oil for Oil Gas.
- B A 720. Raw Materials for Other Gas Processes.
- B A 721. Purification Supplies.
- B A 722. Miscellaneous Works Expenses.

Maintenance

- B A 723. Maintenance Supervision and Engineering.
- B A 724. Maintenance of Structures and Improvements.
- B 725. Maintenance of Power Equipment.
 - A 725.1 Maintenance of Boiler Plant Equipment.
 - A 725.2 Maintenance of Other Power Equipment.
- B 726. Maintenance of Producing and Generating Equipment.
 - A 726.1 Maintenance of Benches and Retorts.
 - A 726.2 Maintenance of Coke Ovens.
 - A 726.3 Maintenance of Producer Gas Equipment.
 - A 726.4 Maintenance of Water Gas Generating Equipment.
 - A 726.5 Maintenance of Liquefied Petroleum Gas Equipment.
 - A 726.6 Maintenance of Other Gas Generating Equipment.
 - A 726.7 Maintenance of Coal, Coke, and Ash Handling Equipment.

- B 727. Maintenance of Other Equipment.
- A 727.1 Maintenance of Gas Reforming Equipment.
- A 727.2 Maintenance of Purification Equipment.
- A 727.3 Maintenance of Other Gas Equipment.

Miscellaneous

- B A 728. Power from Other Sources.
- B A 729. Rents.
- B A 730.1 Residuals Produced--Cr.
- B A 730.2 Residuals Operation Expenses.
- B A 730.3 Residuals Maintenance Expenses.
- B A 731.1 Joint Expenses--Dr.
- B A 731.2 Joint Expenses--Cr.

B. Natural Gas Production

B 1. Natural Gas Production and Gathering

Operation

- B A 733.1 Operation Supervision and Engineering
- B 733.2 Operation Labor.
 - A 733.21 Gas Well Labor.
 - A 733.22 Field Line Labor.
 - A 733.23 Field Compressor Station Labor.
 - A 733.24 Field Measuring and Regulating Station Labor
 - A 733.25 Purification Labor.
 - A 733.26 Other Production and Gathering Labor.
- B 733.3 Operating Supplies and Expenses.
 - A 733.31 Gas Well Supplies and Expenses.
 - A 733.32 Field Line Supplies and Expenses.
 - A 733.33 Field Compressor Station Supplies and Expenses.
 - A 733.34 Field Measuring and Regulating Station Supplies and Expenses.
 - A 733.35 Purification Supplies and Expenses.
 - A 733.36 Other Operating Supplies and Expenses.
- B A 733.4 Production Maps and Records.

Maintenance

- B A 734.1 Maintenance Supervision and Engineering.
- B 734.2 Maintenance of Structures and Improvements.
 - A 734.21 Maintenance of Gas Well Structures.
 - A 734.22 Maintenance of Field Compressor Station Structures.
 - A 734.23 Maintenance of Field Measuring and Regulating Station Structures.
 - A 734.24 Maintenance of Other Production and Gathering System Structures.
- B A 734.3 Maintenance of Producing Gas Well Equipment.
- B 734.4 Maintenance of Field Lines and Equipment.
 - A 734.41 Maintenance of Field Lines.
 - A 734.42 Maintenance of Field Compressor Station Equipment.

- A 734.43 Maintenance of Field Measuring and Regulating Station Equipment.
- B A 734.5 Maintenance of Drilling and Cleaning Equipment.
- B A 734.6 Maintenance of Purification Equipment.
- B A 734.7 Maintenance of Other Production and Gathering Equipment.

Miscellaneous

- B A 735.1 Gas Well Royalties.
- B A 735.2 Natural Gas Rents.
- B A 735.3 Joint Expenses--Dr.
- B A 735.4 Joint Expenses--Cr.

B 2. Products Extraction

Operation

- B A 736.1 Operation Supervision and Engineering.
- B A 736.2 Operation Labor.
- B A 736.3 Gas Shrinkage.
- B A 736.4 Fuel.
- B A 736.5 Power.
- B A 736.6 Production Materials and Supplies.
- B A 736.7 Other Supplies and Expenses.

Maintenance

- B A 737.1 Maintenance Supervision and Engineering.
- B A 737.2 Maintenance of Structures and Improvements.
- B A 737.3 Maintenance of Equipment.

Miscellaneous

- B A 738.1 Products Purchased for Resale.
- B A 738.2 Variation in Products Inventory--Dr. or Cr.
- B A 738.3 Royalties on Products Extracted.
- B A 738.4 Selling Expenses.
- B A 738.5 Rents.
- B A 738.6 Extracted Products Used by the Utility--Cr.
- B A 738.7 Joint Expenses--Dr.
- B A 738.8 Joint Expenses--Cr.

B 3. Exploration and Development

- B A 739.1 Delay Rentals.
- B A 739.2 Nonproductive Well Drilling.
- B A 739.3 Abandoned Leases.
- B A 739.4 Other Exploration Costs.

C. Other Gas Supply Expenses

- B A 745. Purchased Gas.

OPERATING EXPENSE ACCOUNTS

- B 745.1 Purchased Gas--Natural Gas.
 - A 745.11 Field Purchases.
 - A 745.12 Gasoline Plant Outlet Purchases.
 - A 745.13 Pipe Line Purchases --Transmission Lines.
 - A 745.14 City Gate Purchases.
- AB 745.2 Purchased Gas--Other Gas.
- B A 746. Purchased Gas Expenses.
 - 746.1 Well Expenses--Purchased Gas.
 - 746.2 Operation and Maintenance of Purchased Gas Measuring Stations.
 - 746.3 Purchased Gas Calculations Expenses.
 - 746.4 Other Purchased Gas Expenses.
- B A 747.1 Gas Withdrawn from Underground Storage--Dr.
- B A 747.2 Gas Delivered to Underground Storage--Cr.
- B A 748. Gas Used in Utility Operations--Cr.
 - 748.1 Gas Used for Transmission Compressor Fuel--Cr.
 - 748.2 Gas Used in Products Extraction Process--Cr.
 - 748.3 Gas for Other Utility Uses--Cr.
- B A 749. Other Gas Supply Expenses.
- B A 750. Joint Expenses--Dr.
- B A 751. Joint Expenses--Cr.

II. Storage Expenses

A. Underground Storage Expenses

Operation

- B A 755.1 Operation Supervision and Engineering.
- B 755.2 Operation Labor.
 - A 755.21 Storage Well Labor.
 - A 755.22 Storage Lines Labor.
 - A 755.23 Storage Compressor Station Labor.
 - A 755.24 Storage Measuring and Regulating Station Labor.
 - A 755.25 Other Storage Labor.
- B 755.3 Operation Supplies and Expenses.
 - A 755.31 Storage Well Supplies and Expenses.
 - A 755.32 Storage Lines Supplies and Expenses.
 - A 755.33 Storage Compressor Station Supplies and Expenses.
 - A 755.34 Storage Measuring and Regulating Station Supplies and Expenses.
 - A 755.35 Other Storage Operation Supplies and Expenses.
- B A 755.4 Nonoperative Storage Well Drilling.
- B A 755.5 Storage Maps and Records.

Maintenance

- B A 756.1 Maintenance Supervision and Engineering.
- B 756.2 Maintenance of Structures and Improvements.
 - A 756.21 Maintenance of Storage Well Structures.
 - A 756.22 Maintenance of Storage Compressor Station Structures.

- A 756.23 Maintenance of Storage Measuring and Regulating Station Structures.
- A 756.24 Maintenance of Other Storage Structures.
- B A 756.3 Maintenance of Storage Well Equipment.
- B 756.4 Maintenance of Storage Lines and Equipment.
- A 756.41 Maintenance of Storage Lines.
- A 756.42 Maintenance of Storage Compressor Station Equipment.
- A 756.43 Maintenance of Storage Measuring and Regulating Equipment.
- A 756.44 Maintenance of Other Storage Equipment.

Miscellaneous

- B A 757.1 Underground Gas Storage Rents.
 - 757.11 Storage Well Royalties.
 - 757.12 Storage Lease Rentals.
 - 757.13 Other Storage Rents.
- B A 757.2 Joint Expenses--Dr.
- B A 757.3 Joint Expenses--Cr.

B. Local Storage Expenses

Operation

- B A 758.1 Operation Supervision and Engineering.
- B A 758.2 Operation Labor.
- B A 758.3 Operation Supplies and Expenses.

Maintenance

- B A 758.4 Maintenance Supervision and Engineering.
- B A 758.5 Maintenance of Structures and Improvements.
- B A 758.6 Maintenance of Gas Holders.
- B A 758.7 Maintenance of Liquefaction and Regasification Equipment.
- B A 758.8 Maintenance of Other Local Gas Storage Equipment.

Miscellaneous

- B A 758.9 Local Storage Rents.
- B A 758.10 Joint Expenses--Dr.
- B A 758.11 Joint Expenses--Cr.

III. Transmission Expenses

Operation

- B A 759.1 Operation Supervision and Engineering.
- B 759.2 Operation Labor.
 - A 759.21 Mains Operation Labor.
 - A 759.22 Compressor Station Labor.
 - A 759.23 Measuring and Regulating Station Labor.
 - A 759.24 Other Operation Labor.

OPERATING EXPENSE ACCOUNTS

- B 759.3 Operation Supplies and Expenses.
- A 759.31 Mains Operation Supplies and Expenses.
- A 759.32 Compressor Station Supplies and Expenses.
- A 759.33 Measuring and Regulating Station Supplies and Expenses.
- A 759.34 Other Operation Supplies and Expenses.
- B A 759.4 Transmission Maps and Records.

Maintenance

- B A 760.1 Maintenance Supervision and Engineering.
- B A 760.2 Maintenance of Structures and Improvements.
 - 760.21 Maintenance of Compressor Station Structures.
 - 760.22 Maintenance of Measuring and Regulating Station Structures.
 - 760.23 Maintenance of Other Structures.
- B A 760.3 Maintenance of Transmission Mains.
- B A 760.4 Maintenance of Compressor Station Equipment.
- B A 760.5 Maintenance of Measuring and Regulating Station Equipment.
- B A 760.6 Maintenance of Other Transmission System Equipment.

Miscellaneous

- B A 761.1 Rents.
- B A 761.2 Transmission and Compression of Gas by Others.
- B A 761.3 Joint Expenses--Dr.
- B A 761.4 Joint Expenses--Cr.

IV. Distribution Expenses

A. City Gate and Main Line Industrial Measuring and Regulating Station Expenses

Operation

- B A 764.1 Operation Supervision and Engineering.
- B A 764.2 Operation Labor.
- B A 764.3 Operation Supplies and Expenses.

Maintenance

- B A 764.4 Maintenance Supervision and Engineering.
- B A 764.5 Maintenance of Structures and Improvements.
- B A 764.6 Maintenance of Measuring and Regulating Station Equipment.

Miscellaneous

- B A 764.7 Rents.
- B A 764.8 Joint Expenses--Dr.

B A 764.9 Joint Expenses--Cr.

B. General Distribution Expenses

Operation

- B A 765. Operation Supervision and Engineering.
- B 766. Distribution Office Expenses.
 - A 766.1 Distribution Maps and Records.
 - A 766.2 Other Distribution Office Expenses.
- B 767. Operation of Distribution Lines.
 - A 767.1 Operation of Distribution Mains.
 - A 767.2 Operation of Distribution Compressor Stations.
 - A 767.3 Operation of Distribution Measuring and Regulating Station Equipment.
- B 768. Operation of Meters.
 - A 768.1 Removing and Resetting Meters.
 - A 768.2 Miscellaneous Meter Expenses.
- B A 769.1 Operation of Industrial Measuring and Regulating Stations.
- B A 769.2 Services on Customers' Premises.
- B A 770. Operation of Other Distribution Equipment.

Maintenance

- B A 771. Maintenance Supervision and Engineering.
- B A 772. Maintenance of Structures and Improvements.
- B 773. Maintenance of Distribution Lines.
 - A 773.1 Maintenance of Mains.
 - A 773.2 Maintenance of Compressor Station Equipment.
 - A 773.3 Maintenance of Measuring and Regulating Station Equipment.
 - A 773.4 Maintenance of Services.
 - A 773.5 Maintenance of Meters.
 - A 773.6 Maintenance of House Regulators.
 - A 773.7 Maintenance of Industrial Measuring and Regulating Station Equipment.
 - A 773.8 Maintenance of Other Property on Customers' Premises.
- B A 774. Maintenance of Other Distribution Equipment.

Miscellaneous

- B A 776. Rents.
- B A 777.1 Joint Expenses--Dr.
- B A 777.2 Joint Expenses--Cr.

V. Customers' Accounting and Collecting Expenses

- B A 779. Supervision.
- B 780. Customers' Contracts, Orders, Meter Reading, and Collecting.
 - A 780.1 Customers' Contracts and Orders.
 - A 780.2 Credit Investigations and Records.

OPERATING EXPENSE ACCOUNTS

	A 780.3	Meter Reading.
	A 780.4	Collecting.
B	A 781.	Customers' Billing and Accounting.
B	A 782.	Miscellaneous Expenses.
B	A 783.	Uncollectible Accounts.
B	A 784.	Rents.

VI. Sales Promotion Expenses

B	A 785.	Supervision.
B	A 786.	Salaries and Commissions.
B	787.	Demonstration, Advertising, and Other Sales Expenses.
	A 787.1	Demonstration.
	A 787.2	Advertising.
	A 787.3	Miscellaneous Sales Expenses.
B	A 788.	Rents.
B	A 789.	Merchandising, Jobbing, and Contract Work.
	789.1	Revenues from Merchandising, Jobbing, and Contract Work.
	789.2	Costs and Expenses of Merchandising, Jobbing, and Contract Work.

VII. Administrative and General Expenses

B	A 790.	Salaries of General Officers and Executives.
B	A 791.	Other General Office Salaries.
B	792.	Expenses of General Officers and General Office Employees.
	A 792.1	Expenses of General Officers.
	A 792.2	Expenses of General Office Employees.
B	A 793.	General Office Supplies and Expenses.
B	A 794.	Management and Supervision Fees and Expenses.
B	A 795.	Special Services.
B	A 796.	Special Legal Services.
B	A 797.	Regulatory Commission Expenses.
B	A 798.	Insurance.
B	A 799.	Injuries and Damages.
B	800.	Employees' Welfare Expenses and Pensions.
	A 800.1	Employees' Welfare Expenses.
	A 800.2	Pensions.
B	A 801.	Miscellaneous General Expenses.
B	802.	Maintenance of General Property.
	A 802.1	Maintenance of Structures and Improvements.
	A 802.2	Maintenance of Office Furniture and Equipment.
	A 802.3	Maintenance of Communication Equipment.
	A 802.4	Maintenance of Miscellaneous Property.
B	A 803.	Rents.
B	A 804.	Commissions Paid Under Agency Sales Contracts.
B	A 805.	Franchise Requirements.
	805.1	Cash Outlays.
	805.2	Gas Supplied without Charge--Dr.
	805.3	Other Items Furnished without Charge--Dr.

- B A 806. Duplicate Miscellaneous Charges--Cr.
E A 807. Administrative and General Expenses Trans-
ferred--Cr.
B A 808. Joint Expenses--Dr.
B A 809. Joint Expenses--Cr.

OPERATING EXPENSE ACCOUNTS

I. PRODUCTION EXPENSES

A. Manufactured Gas Production

OPERATION

B A 701. Operation Supervision and Engineering.

This account shall include the cost of supervising and directing the operation of manufactured gas production facilities. (See Operating expense instruction 4.)

NOTE.—The cost of fuel analyses shall be charged to Account 131.1, Materials and Supplies—Gas.

B A 702. Boiler and Other Power Labor.

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

ITEMS

- | | |
|-------------------------------------------------------|-----------------------------------------------------------|
| 1. Blowing flues. | 4. Pulverizing coal. |
| 2. Cleaning boilers. | 5. Testing steam meters and gauges and other instruments. |
| 3. Handling coal and ashes (within the boiler plant). | |

B 703. Coal Gas and Producer Gas Labor.

A 703.1 Retort Labor.

This account shall include the pay of employees engaged in operating retorts for the production of coal gas.

ITEMS

- | | |
|---------------------------------------|-------------------------------------------------|
| 1. Charging and drawing retorts. | 3. Handling coal, fuel, and ashes within works. |
| 2. Cleaning retorts, pipes, and lids. | 4. Quenching coke. |

A 703.2 Coke Oven Labor.

This account shall include the pay of employees engaged in operating coke ovens for the production of coal gas.

ITEMS

- | | |
|---------------------------------------|-----------------------------------------------|
| 1. Charging and discharging of ovens. | 5. Operating door machinery and luting doors. |
| 2. Cleaning pipes and lids. | 6. Quenching coke and delivering to wharf. |
| 3. Firing ovens. | |
| 4. Handling coal within works. | |

A 703.3 Producer Gas Labor.

This account shall include the pay of employees engaged in making producer gas.

ITEMS

1. Cleaning producers.
2. Handling fuel and ashes within works.
3. Operating air and gas boosters.

B 704. Gas Generating Labor.**A 704.1 Water Gas Generating Labor.**

This account shall include the pay of employees engaged in operating water gas sets.

ITEMS

1. Charging generators.
2. Cleaning generators.
3. Handling coal, coke, and ashes within works.

A 704.2 Liquefied Petroleum Gas Regasifying Labor.

This account shall include the pay of employees engaged in operating equipment used for the production of gas from petroleum derivatives, such as propane, butane, or gasoline.

A 704.3 Other Gas Generating Labor.

This account shall include the pay of employees engaged in operating equipment used in the production of gas by any process not provided for in foregoing accounts, such as oil gas or acetylene gas.

A 704.4 Gas Reforming Labor.

This account shall include the pay of employees engaged in reforming gas into gas of a different calorific value.

ITEMS

1. Charging and cleaning generators used for reforming.
2. Handling coal, coke, or ashes within works.
3. Purifying refinery gas before reforming.

BA 705. Purification Labor.

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

ITEMS

1. Emptying, cleaning, and refilling purifier boxes.
2. Emptying, cleaning, and refilling shavings scrubbers.
3. Oiling dip sheets of purifier cover.
4. Revivifying oxide and removing spent oxide to refuse pile.
5. Steaming and cleaning condensers.

BA 706. Gas Mixing Labor.

This account shall include the pay of employees engaged in operating equipment used to mix natural and manufactured gas, or any other mixtures of natural, manufactured, or liquefied petroleum gases, for delivery to the distribution system.

B A 707. Miscellaneous Production Labor.

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

ITEMS

- | | |
|------------------|--------------------------------|
| 1. Elevator men. | 4. Watchmen. |
| 2. Janitors. | 5. Yard and building cleaners. |
| 3. Messengers. | |

B A 708. Boiler Fuel.

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

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

B A 709. Water.

This account shall include the cost of water used in manufactured gas production processes. If water is purchased, the charge shall be at the contract price or the meter rate; if pumped by the utility, the cost of pumping and purifying shall be charged to this account.

ITEMS

- | | |
|------------------------------------|-------------------------------|
| 1. Employees: | 2. Supplies: |
| (a) Filter cleaners. | (a) Boiler compounds. |
| (b) General labor. | (b) Chemicals. |
| (c) Pumping station operators. | (c) Lubricants. |
| (d) Water supply system operators. | (d) Pumping supplies. |
| | (e) Supplies (miscellaneous). |
| | (f) Water purchased. |

B A 710. Fuel Under Retorts.

A. This account shall include the cost delivered at works of fuel used under retorts in making gas. It shall also include the net cost of, or the net amount realized from, the disposal of ashes.

B. When gas produced by the utility is used as fuel, concurrent credit shall be made to the appropriate duplicate charges credit account.

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

B A 711. Fuel Under Coke Ovens.

A. This account shall include the cost of gas, other than producer gas, or other fuel used under coke ovens for making coal gas. Concurrent credits for gas made by the utility and so used shall be made to the appropriate duplicate charges credit account.

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

B A 712. Producer Gas Fuel.

A. This account shall include the cost delivered at works of fuel used in making producer gas. It shall also include the net cost of, or the net amount realized from, the disposal of ashes.

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

B A 713. Fuel for Liquefied Petroleum Gas Processes.

This account shall include the cost of fuel for the gasification of liquefied petroleum gas and for the compression of air in liquid petroleum gas processes.

B A 714.1 Coal Carbonized in Retorts.

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

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

B A 714.2 Coal Carbonized in Coke Ovens.

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

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

B A 715. Water Gas Generator Fuel.

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

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

B A 716. Oil for Water Gas.

A. This account shall include the cost delivered at works of oil used in carbureting water gas.

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

B A 717. Gas Enricher.

A. This account shall include the cost delivered at works of materials used for enriching gas.

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

B A 718. Liquefied Petroleum Gas.

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

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

B A 719. Oil for Oil Gas.

A. This account shall include the cost delivered at works of oil used in making oil gas.

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

B A 720. Raw Materials for Other Gas Processes.

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

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

B A 721. Purification Supplies.

This account shall include the cost delivered at works of materials used in purifying and conditioning manufactured gas.

ITEMS

- | | |
|---------------------------------|---------------------------------------|
| 1. Iron oxide. | 5. Soda ash for liquid purifiers. |
| 2. Lime. | 6. Sulphuric acid. |
| 3. Oil for oil-fogging process. | 7. Wash oil for naphthalene scrubber. |
| 4. Shavings. | |

NOTE.—Do not include in this account the cost of supplies consumed solely for the purpose of refining residuals.

B A 722. Miscellaneous Works Expenses.

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

ITEMS

- | | |
|-------------------------------------------|-----------------|
| 1. Building service (not including rent). | 4. Lubricants. |
| 2. Communication service. | 5. Packing. |
| 3. Fuel for internal combustion engines. | 6. Stationery. |
| | 7. Tools, hand. |
| | 8. Waste. |

MAINTENANCE

B A 723. Maintenance Supervision and Engineering.

This account shall include the cost of supervising and directing the maintenance of manufactured gas production facilities. (See Operating expense instruction 4.)

B A 724. Maintenance of Structures and Improvements.

This account shall include the cost of maintenance of manufactured gas production buildings, structures, fixtures, and improvements, the book cost of which is included in Account 312, Structures and Improvements.

B 725. Maintenance of Power Equipment.**A 725.1 Maintenance of Boiler Plant Equipment.**

This account shall include the cost of maintenance of boiler plant equipment, the book cost of which is included in Account 313, Boiler Plant Equipment.

A 725.2 Maintenance of Other Power Equipment.

This account shall include the cost of maintenance of other power equipment, the book cost of which is included in Account 314, Other Power Equipment.

B 726. Maintenance of Producing and Generating Equipment.**A 726.1 Maintenance of Benches and Retorts.**

This account shall include the cost of maintenance of benches and retorts, the book cost of which is included in Account 315, Benches and Retorts.

A 726.2 Maintenance of Coke Ovens.

This account shall include the cost of maintenance of coke ovens, the book cost of which is included in Account 316, Coke Ovens.

A 726.3 Maintenance of Producer Gas Equipment.

This account shall include the cost of maintenance of producer gas equipment, the book cost of which is included in Account 317, Producer Gas Equipment.

A 726.4 Maintenance of Water Gas Generating Equipment.

This account shall include the cost of maintenance of water gas sets, the book cost of which is included in Account 318, Water Gas Generating Equipment.

A 726.5 Maintenance of Liquefied Gas Petroleum Gas Equipment.

This account shall include the cost of maintenance of petroleum gas equipment, the book cost of which is included in Account 319, Liquefied Petroleum Gas Equipment.

A 726.6 Maintenance of Other Gas Generating Equipment.

This account shall include the cost of maintenance of other gas generating equipment, the book cost of which is included in Account 320, Other Gas Generating Equipment.

A 726.7 Maintenance of Coal, Coke, and Ash Handling Equipment.

This account shall include the cost of maintenance of property, the book cost of which is included in Account 321, Coal, Coke, and Ash Handling Equipment.

B 727. Maintenance of Other Equipment.**A 727.1 Maintenance of Gas Reforming Equipment.**

This account shall include the cost of maintenance of gas reforming equipment, the book cost of which is included in Account 322, Gas Reforming Equipment.

A 727.2 Maintenance of Purification Equipment.

This account shall include the cost of maintenance of manufactured gas purification equipment, the book cost of which is included in Account 323, Purification Equipment.

A 727.3 Maintenance of Other Gas Equipment.

This account shall include the cost of maintenance of equipment, the book cost of which is included in Account 325, Gas Mixing Equipment, and Account 326, Other Production Equipment.

MISCELLANEOUS

B A 728. Power from Other Sources.

A. This account shall include the cost of steam, electricity, or other power purchased for use in gas generators or driving units in manufactured gas production plants.

B. This account shall be kept so as to show separately for each company from which power or steam is purchased, the point of delivery, the quantity, the price, and the total charge.

B A 729. Rents.

This account shall include all rents for property of others used, occupied, or operated in connection with the production of manufactured gas. (See Operating expense instruction 5.)

B A 730.1 Residuals Produced—Cr.

A. This account shall be credited and the appropriate subdivisions of Account 131.1, Materials and Supplies—Gas, debited monthly with the estimated value of residuals and other byproducts obtained in connection with the production of manufactured gas, whether intended for sale or for use in operations.

B. If the net amount realized from the sale of residuals is greater or less than the amount at which they were originally credited hereto, an adjusting entry shall be made crediting or debiting this account and charging or crediting the appropriate subdivision of Account 131.1, Materials and Supplies—Gas, with the difference.

C. Records shall be so kept as to show for each type of residual or other byproduct the quantity produced and the amount at which charged to Account 131.1, Materials and Supplies—Gas; the quantity sold and the price received therefor; and the quantity and value of residuals used.

B A 730.2 Residuals Operation Expenses.

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

B. Divisions of this account shall be maintained for each of the principal types of expenses chargeable hereto and for each residual or byproduct carried in Account 730.1, Residuals Produced—Cr.

B A 730.3 Residuals Maintenance Expenses.

A. This account shall include the cost of maintenance of residual refining equipment used in refining manufactured gas residuals or by-products, the book cost of which is included in Account 324, Residual Refining Equipment.

B. Divisions of this account shall be maintained for each residual or byproduct carried in Account 730.1, Residuals Produced—Cr.

B A 731.1 Joint Expenses—Dr.

A. This account shall include amounts payable by the gas department to others or to a coordinate department for joint facilities used, occupied, or operated in connection with the production of manufactured gas. (See Operating expense instruction 6.)

B. The records supporting the entries to this account shall be so kept that the utility can furnish a complete explanation of the debits to this account, including the following:

Charges from others.

Charges from coordinate departments.

B A 731.2 Joint Expenses—Cr.

A. This account shall include such portion of the cost of operating and maintaining joint facilities operated by the gas department in connection with the production of manufactured gas as is charged to others or to a coordinate department. (See Operating expense instruction 6.)

B. The records supporting the entries to this account shall be so kept that the utility can furnish a complete explanation of the credits to this account, including the following:

Charges to others.

Charges to coordinate departments.

B. Natural Gas Production**B 1. Natural Gas Production and Gathering****OPERATION****B A 733.1 Operation Supervision and Engineering.**

This account shall include the cost of supervising and directing the operation of natural gas production facilities. (See Operating expense instruction 4.)

B 733.2 Operation Labor.**A 733.21 Gas Well Labor.**

This account shall include the pay of employees engaged in the operating of gas wells.

ITEMS

1. Bailing
2. Blowing.
3. Cleaning.

4. Gauging.
5. Pumping.
6. Shutting off and turning on.

A 733.22 Field Line Labor.

This account shall include the pay of employees engaged in the operation of field lines.

A 733.23 Field Compressor Station Labor

This account shall include the pay of employees engaged in operating field compressor stations.

A 733.24 Field Measuring and Regulating Station Labor.

This account shall include the pay of employees engaged in operating field measuring and regulating stations.

A 733.25 Purification Labor.

This account shall include the pay of employees engaged in the purification of natural gas.

A 733.26 Other Production and Gathering Labor.

This account shall include the pay of employees not provided for elsewhere, whose services are used in connection with the production and gathering of natural gas.

B 733.3 Operating Supplies and Expenses.**A 733.31 Gas Well Supplies and Expenses.**

This account shall include the cost of supplies used and expenses incurred in the operation of gas wells.

ITEMS

- | | |
|-----------------|------------------------|
| 1. Fuel. | 5. Transportation. |
| 2. Lubricants. | 6. Traveling expenses. |
| 3. Power. | 7. Waste. |
| 4. Tools, hand. | |

A 733.32 Field Line Supplies and Expenses.

This account shall include the cost of supplies used and expenses incurred in the operation of field lines.

ITEMS

- | | |
|----------------|------------------------|
| 1. Fuel. | 4. Tools, hand. |
| 2. Lubricants. | 5. Transportation. |
| 3. Power. | 6. Traveling expenses. |

A 733.33 Field Compressor Station Supplies and Expenses.

This account shall include the cost of fuel and supplies used and expenses incurred in the operation of field compressor stations.

A 733.34 Field Measuring and Regulating Station Supplies and Expenses.

This account shall include the cost of supplies used and expenses incurred in the operation of field measuring and regulating stations.

A 733.35 Purification Supplies and Expenses.

This account shall include the cost of supplies used and expenses incurred in connection with the purification of natural gas.

A 733.36 Other Operating Supplies and Expenses.

This account shall include the cost of supplies used and expenses incurred in connection with the production and gathering of natural gas not includible in any other production and gathering expense account.

B A 733.4 Production Maps and Records.

This account shall include salaries paid and expenses incurred in connection with the preparation of production maps and records, including the cost of stationery, drawing materials, etc.

MAINTENANCE

B A 734.1 Maintenance Supervision and Engineering.

This account shall include the cost of supervising and directing the maintenance of natural gas production facilities. (See Operating expense instruction 4.)

B 734.2 Maintenance of Structures and Improvements.

A 734.21 Maintenance of Gas Well Structures.

This account shall include the cost of maintenance of gas well structures, the book cost of which is included in Account 331.1, Gas Well Structures.

A 734.22 Maintenance of Field Compressor Station Structures.

This account shall include the cost of maintenance of buildings used for housing field compressor station equipment, the book cost of which is included in Account 331.2, Field Compressor Station Structures.

A 734.23 Maintenance of Field Measuring and Regulating Station Structures.

This account shall include the cost of maintenance of buildings used for housing field measuring and regulating station equipment, the book cost of which is included in Account 331.3, Field Measuring and Regulating Station Structures.

A 734.24 Maintenance of Other Production and Gathering System Structures.

This account shall include the cost of maintenance of all other production and gathering system structures, the book cost of which is included in Account 331.4, Other Production and Gathering System Structures.

BA 734.3 Maintenance of Producing Gas Well Equipment.

This account shall include the cost of maintenance of property, the book cost of which is included in Account 332.2, Producing Gas Wells—Well Equipment.

B 734.4 Maintenance of Field Lines and Equipment.

A 734.41 Maintenance of Field Lines.

This account shall include the cost of maintenance of field lines, the book cost of which is included in Account 333.1, Field Lines.

A 734.42 Maintenance of Field Compressor Station Equipment.

This account shall include the cost of maintenance of field compressor station equipment, the book cost of which is included in Account 333.2, Field Compressor Station Equipment.

A 734.43 Maintenance of Field Measuring and Regulating Station Equipment.

This account shall include the cost of maintenance of field measuring and regulating station equipment, the book cost of which is included in Account 333.3, Field Measuring and Regulating Station Equipment.

BA 734.5 Maintenance of Drilling and Cleaning Equipment.

This account shall include the cost of maintenance of drilling and cleaning equipment, the book cost of which is included in Account 334, Drilling and Cleaning Equipment.

BA 734.6 Maintenance of Purification Equipment.

This account shall include the cost of maintenance of purification equipment, the book cost of which is included in Account 335, Purification Equipment.

BA 734.7 Maintenance of Other Production and Gathering Equipment.

This account shall include the cost of maintenance of equipment the book cost of which is included in Account 336, Other Production and Gathering Equipment.

MISCELLANEOUS

B A 735.1 Gas Well Royalties.

A. This account shall include royalties paid for natural gas produced by the utility from land owned by others.

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

B A 735.2 Natural Gas Rents.

This account shall include rents includible in operating expenses for property of others used in connection with the production of natural gas other than rentals on land and land rights held for the supply of natural gas.

ITEMS

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

Note.--See Account 739.1, Delay Rentals, for rentals paid on lands held for the supply of natural gas.

B A 735.3 Joint Expenses—Dr.

A. This account shall include amounts payable by the gas department to others or to a coordinate department for joint facilities used, occupied, or operated in connection with the production of natural gas. (See Operating expense instruction 6.)

B. The records supporting the entries to this account shall be so kept that the utility can furnish a complete explanation of the debits to this account, including the following:

Charges from others.

Charges from coordinate departments.

B A 735.4 Joint Expenses—Cr.

A. This account shall include such portion of the cost of operating and maintaining joint facilities operated by the gas department in connection with the production of natural gas as is charged to others or to a coordinate department. (See Operating expense instruction 6.)

B. The records supporting the entries to this account shall be so kept that the utility can furnish a complete explanation of the credits to this account, including the following:

Charges to others.

Charges to coordinate departments.

B 2. Products Extraction**Operation****B A 736.1 Operation Supervision and Engineering.**

This account shall include the cost of supervising and directing operation of natural gas products extraction facilities. (See Operating expense instruction 4.)

B A 736.2 Operation Labor.

This account shall include the pay of employees engaged in operating facilities for the extraction of gasoline, butane, propane, or other salable products from natural gas.

B A 736.3 Gas Shrinkage.

A. This account shall include the cost of gas lost or absorbed in the process of extraction of salable products from natural gas, exclusive of gas used as fuel, the cost of which shall be included in Account 736.4, Fuel.

B. Concurrent credits offsetting charges to this account shall be made to Account 748.2, Gas Used in Products Extraction Process--Credit.

B A 736.4 Fuel.

A. This account shall include the cost of natural gas or other fuel used in the processes for extracting gasoline, butane, propane, or other salable products from natural gas, including fuel used for generation of electricity.

B. Concurrent credits offsetting charges to this account shall be made to Account 748.2, Gas Used in Products Extraction Process--Credit.

B A 736.5 Power.

This account shall include the cost of electricity purchased for operation of facilities used in the extraction of gasoline, butane, propane, or other salable products from natural gas.

B A 736.6 Production Materials and Supplies.

This account shall include the cost of absorption oil, charcoal, or other materials used in recovering gasoline, butane, propane, or other salable products from natural gas, except materials used for fuel or power which are includible in Accounts 736.4 or 736.5.

B A 736.7 Other Supplies and Expenses.

This account shall include the cost of supplies consumed and expenses incurred in the operation of facilities for extraction of gasoline, butane, propane, or other salable products from natural gas not provided for elsewhere.

MAINTENANCE

B A 737.1 Maintenance Supervision and Engineering.

This account shall include the cost of supervising and directing maintenance of facilities for the extraction of gasoline, butane, propane, or other salable products from natural gas. (See Operating expense instruction 4.)

B A 737.2 Maintenance of Structures and Improvements.

This account shall include the cost of maintenance of buildings used for housing products extraction equipment, the book cost of which is included in Account 337.2, Structures and Improvements.

B A 737.3 Maintenance of Equipment.

This account shall include the cost of maintenance of products extraction and refining equipment, the book cost of which is included in Accounts 337.3, 337.4, 337.5, 337.6, 337.7, and 337.8.

MISCELLANEOUS

B A 738.1 Products Purchased for Resale.

This account shall include the cost of gasoline, butane, propane, or other salable products purchased from others for resale.

B A 738.2 Variation in Products Inventory--Dr. or Cr.

A. This account shall include credits for increases and debits for decreases in the inventories of gasoline, butane, propane, or other salable products extracted from natural gas or purchased for resale. The net debit or credit in this account shall equal the difference between the inventory at the beginning of the accounting year and the end of the current month.

B. The basis of inventory valuation of products on hand at the end of the accounting period may be according to any commonly accepted method of inventory valuation for accounting purposes, provided the method adopted is followed consistently from year to year.

B A 738.3 Royalties on Products Extracted.

A. This account shall include royalties paid by the utility to others for the right to extract salable products from natural gas.

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

B A 738.4 Selling Expenses.

This account shall include the pay and expenses of employees engaged in the marketing of salable products extracted from natural gas, tank car rentals, freight and hauling charges paid by the utility on products sold, and other expenses of marketing extracted products, excluding, however, any allocation of administrative and general expenses of the utility.

B A 738.5 Rents.

This account shall include all rents for the property of others used, occupied, or operated in connection with the extraction of products from natural gas. (See Operating expense instruction 5.)

B A 738.6 Extracted Products Used by the Utility--Cr.

This account shall include concurrent credits for charges which are made to operating expenses or other accounts of the gas department for gasoline or other extracted products used from stocks recovered in the natural gas extraction processes or purchased for resale. (See Operating revenue instruction 5.)

Note.--The records supporting this account shall be kept in such manner as to enable the natural gas company to report the offsetting debits by accounts affected.

B A 738.7 Joint Expenses--Dr.

A. This account shall include amounts payable by the gas department to others or to a coordinate department for joint facilities used, occupied, or operated in connection with the products extraction operations. (See Operating expense instruction 6.)

B. The records supporting the entries to this account shall be so kept that the utility can furnish a complete explanation of the debits to this account, including the following:

- Charges from Others.
- Charges from Coordinate Departments.

B A 738.8 Joint Expenses--Cr.

A. This account shall include such portion of the cost of operating and maintaining joint facilities, operated in connection with products extraction operations as is charged to others, or to a coordinate department. (See Operating expense instruction 6.)

B. The records supporting the entries to this account shall be so kept that the utility can furnish a complete explanation of the credits to this account, including the following:

Charges to Others.

Charges to Coordinate Departments.

B 3. EXPLORATION AND DEVELOPMENT**B A 739.1 Delay Rentals.**

A. This account shall be charged with the amount of rents paid periodically on natural gas lands in order to hold natural gas land and land rights for the purpose of obtaining a supply of gas in the future.

B. Include also in this account the cost of obtaining natural gas leases for a period of one year or less.

C. Records supporting this account shall be so kept that the utility can furnish complete details of the charges made for each natural gas leasehold. (See note to Gas plant instruction 9-I.)

B A 739.2 Nonproductive Well Drilling.

This account shall include the cost of drilling nonproductive wells during the period covered by the income account.

NOTE.—Records in support of the charges to this account shall conform, as appropriate, to paragraph B of General instruction 11, Records for Each Plant.

B A 739.3 Abandoned Leases.

A. This account shall be charged with amounts credited to Account 250.3, Reserve for Abandoned Leases, to cover the probable loss on abandonment of natural gas leases included in Account 100.4, Gas Plant Held for Future Use, which have never been productive.

B. When natural gas leaseholds which have never been productive are abandoned, and the amounts provided in Account 250.3, Reserve for Abandoned Leases, are not sufficient to cover the cost thereof, the deficiency shall be charged to this account, unless otherwise authorized or directed by the Commission. (See account 141.)

B A 739.4 Other Exploration Costs.

This account shall be charged with the cost of abandoned projects on which preliminary expenditures were made for the purpose of determining the feasibility of acquiring acreage to provide a future supply of natural gas. (See Account 142.1, Preliminary Natural Gas Survey and Investigation Charges.)

C. Other Gas Supply Expenses

B A 745. Purchased Gas.

A. This account shall include the cost, at point of receipt by the utility, of all gas purchased including charges for readiness to serve, also amounts payable to others for their gas sold by the accounting utility under agency agreements.

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

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

D. This account shall be subdivided by Classes A and B utilities as indicated below:

- B 745.1 Purchased Gas--Natural Gas
 - A 745.11 Field Purchases
 - A 745.12 Gasoline Plant Outlet Purchases
 - A 745.13 Pipe Line Purchases--Transmission Lines
 - A 745.14 City Gate Purchases
- B 745.2 Purchased Gas--Other Gas

B A 746. Purchased Gas Expenses.

A. This account shall include expenses incurred directly in connection with the purchase of gas for resale.

B. The utility shall not include as purchased gas expense, segregated or apportioned expenses of operating and maintaining gathering system plant whether such plant is devoted solely or partially to purchases of gas, except that it shall be permissible to include the cost of turning on and off purchase gas wells and the operation and maintenance of measuring stations devoted exclusively to measuring purchased gas.

C. In general it is intended that this account include only the expenses of measuring purchased gas, including the expenses of computing gas volumes, and

special items directly related to gas purchases which are not includible in other accounts.

D. This account shall be subdivided as follows:

- 746.1 Wells Expenses--Purchased Gas.
- 746.2 Operation and Maintenance of Purchased Gas Measuring Stations.
- 746.3 Purchased Gas Calculations Expenses.
- 746.4 Other Purchased Gas Expenses.

B A 747.1 Gas Withdrawn from Underground Storage--Dr.

A. This account shall include debits for the cost of gas withdrawn from underground storage during the year. Contra credits for entries to this account shall be made to Account 134, Gas Stored Underground. (See Account 134, Gas Stored Underground.)

B. Withdrawals of gas from storage shall not be netted against deliveries to storage. (See Account 747.2.)

B A 747.2 Gas Delivered to Underground Storage--Cr.

A. This account shall include credits for the cost of gas delivered to underground storage during the year. Contra debits for entries to this account shall be made to Account 134, Gas Stored Underground. (See Account 134, Gas Stored Underground.)

B. Deliveries of gas to storage shall not be netted against withdrawals from storage. (See Account 747.1.)

B A 748. Gas Used in Utility Operations--Cr.

A. This account shall include concurrent credits for charges which are made to operating expenses or other accounts of the gas department for gas consumed from the common system supply for operating or other utility purposes. (See Plant instruction 5 and Operating revenue instruction 5.)

B. This account shall be subdivided as follows:

- 748.1 Gas Used for Transmission Compressor Fuel--Cr.
- 748.2 Gas Used in Products Extraction Process--Cr.
- 748.3 Gas for Other Utility Uses--Cr.

B A 749. Other Gas Supply Expenses.

This account shall include the cost of labor, supplies, and other expenses incurred in the operation and maintenance of gas supply facilities not provided for elsewhere.

B A 750. Joint Expenses—Dr.

A. This account shall include amounts payable by the gas department to others or to a coordinate department for joint facilities used, occupied, or operated in connection with the production of gas where it is impracticable to allocate such payments to the joint expenses—debit accounts under manufactured gas production or natural gas production. (See Operating expense instruction 6.)

B. The records supporting the entries to this account shall be so kept that the utility can furnish a complete explanation of the debits to this account including the following:

Charges from others.

Charges from coordinate departments.

B A 751. Joint Expenses—Cr.

A. This account shall include such portion of the cost of operating and maintaining joint facilities operated by the gas department in connection with the production of gas as is charged to others or to a coordinate department where it is impracticable to allocate such cost to the joint expenses—credit accounts under manufactured gas production or natural gas production. (See Operating expense in instruction 6.)

B. The records supporting the entries to this account shall be so kept that the utility can furnish a complete explanation of the credits to this account, including the following:

Charges to others.

Charges to coordinate departments.

II. STORAGE EXPENSES**A. Underground Storage Expenses****Operation****B A 755.1 Operation Supervision and Engineering.**

This account shall include the cost of supervising and directing the operation of underground gas storage facilities. (See Operating expense instruction 4.)

B 755.2 Operation Labor.**A 755.21 Storage Well Labor.**

This account shall include the pay of employees engaged in the operation of gas storage wells.

A 755.22 Storage Lines Labor.

This account shall include the pay of employees engaged in the operation of underground storage pipe lines. (See Account 343.3.)

A 755.23 Storage Compressor Station Labor.

This account shall include the pay of employees engaged in operating compressor stations used for the underground storage of gas. (See Account 343.4.)

A 755.24 Storage Measuring and Regulating Station Labor.

This account shall include the pay of employees engaged in operating measuring and regulating stations used in connection with the underground storage of gas. (See Account 343.5.)

A 755.25 Other Storage Labor.

This account shall include the pay of employees engaged in underground storage operations not provided for elsewhere.

B 755.3 Operation Supplies and Expenses.

A 755.31 Storage Well Supplies and Expenses.

This account shall include the cost of supplies used and expenses incurred in the operation of gas wells used for the underground storage of gas.

A 755.32 Storage Lines Supplies and Expenses.

This account shall include the cost of supplies used and expenses incurred in the operation of underground storage pipe lines. (See Account 343.3.)

A 755.33 Storage Compressor Station Supplies and Expenses.

This account shall include the cost of fuel consumed, supplies used, and expenses incurred in the operation of compressor stations used for the underground storage of gas. (See Account 343.4.)

A 755.34 Storage Measuring and Regulating Station Supplies and Expenses.

This account shall include the cost of supplies used and expenses incurred in the operation of measuring and regulating stations used in connection with the underground storage of gas. (See Account 343.5.)

A 755.35 Other Storage Operation Supplies and Expenses.

This account shall include the cost of supplies used and expenses incurred in connection with underground storage operations not provided for elsewhere.

B A 755.4 Nonoperative Storage Well Drilling.

This account shall include the cost of drilling non-operative wells in the underground storage areas during the period covered by the income account.

Note.--Records in support of the charges to this account shall conform, as appropriate, to paragraph B of General Instruction 11, Records for Each Plant.

B A 755.5 Storage Maps and Records.

This account shall include salaries paid and expenses incurred in connection with the preparation of storage maps and records, including the cost of stationery, drawing materials, etc.

Maintenance

B A 756.1 Maintenance Supervision and Engineering.

This account shall include the cost of supervising and directing the maintenance of underground gas storage facilities. (See Operating expense instruction 4.)

B 756.2 Maintenance of Structures and Improvements.

A 756.21 Maintenance of Storage Well Structures.

This account shall include the cost of maintenance of storage well structures, the book cost of which is included in Account 342.1, Underground Storage Well Structures.

A 756.22 Maintenance of Storage Compressor Station Structures.

This account shall include the cost of maintenance of storage compressor station structures, the book cost of which is included in Account 342.2, Underground Storage Compressor Station Structures.

A 756.23 Maintenance of Storage Measuring and Regulating Station Structures.

This account shall include the cost of maintenance of storage measuring and regulating station structures, the book cost of which is included in Account 342.3, Underground Storage Measuring and Regulating Station Structures.

A 756.24 Maintenance of Other Storage Structures.

This account shall include the cost of maintenance of other underground gas storage structures, the book cost of which is included in Account 342.4, Other Underground Storage Structures.

B A 756.3 Maintenance of Storage Well Equipment.

This account shall include the cost of maintenance of property, the book cost of which is included in Account 343.2, Underground Storage Well Equipment.

- B 756.4 Maintenance of Storage Lines and Equipment.
 A 756.41 Maintenance of Storage Lines.

This account shall include the cost of maintenance of property, the book cost of which is included in Account 343.3, Underground Storage Lines.

- A 756.42 Maintenance of Storage Compressor Station Equipment

This account shall include the cost of maintenance of property, the book cost of which is included in Account 343.4, Underground Storage Compressor Station Equipment.

- A 756.43 Maintenance of Storage Measuring and Regulating Equipment.

This account shall include the cost of maintenance of property the book cost of which is included in Account 343.5, Underground Storage Measuring and Regulating Equipment.

- A 756.44 Maintenance of Other Storage Equipment.

This account shall include the cost of maintenance of property, the book cost of which is included in Accounts 343.6, Underground Storage Purification Equipment, and 343.7, Other Underground Storage Equipment.

Miscellaneous

- B A 757.1 Underground Gas Storage Rents.

A. This account shall include rents and other payments includible in operating expenses for use of property of others in underground gas storage operations.

B. This account shall be subdivided by Class A utilities as follows:

- 757.11 Storage Well Royalties.
 757.12 Storage Lease Rentals.
 757.13 Other Storage Rents.

- B A 757.2 Joint Expenses--Dr.

A. This account shall include amounts payable by the gas department to others or to a coordinate department for joint facilities used, occupied, or operated in connection with the underground storage of gas. (See Operating expense instruction 6.)

B. The records supporting entries to this account shall be so kept that the utility can furnish a complete explanation of the debits to this account, including the following:

Charges from Others.
Charges from Coordinate Departments.

B A 757.3 Joint Expenses--Cr.

A. This account shall include such portion of the cost of operating and maintaining joint facilities operated by the gas department in connection with the underground storage of gas as is charged to others or to coordinate departments. (See Operating expense instruction 6.)

B. The records supporting the entries to this account shall be so kept that the utility can furnish a complete explanation of the credits to this account, including the following:

Charges to Others.
Charges to Coordinate Departments.

B. Local Storage Expenses

Operation

B A 758.1 Operation Supervision and Engineering.

This account shall include the cost of supervising and directing the operation of surface gas storage facilities at or adjacent to local distribution systems.

B A 758.2 Operation Labor.

This account shall include the pay of employees engaged in the operation of surface gas storage facilities at or adjacent to local distribution systems.

B A 758.3 Operation Supplies and Expenses.

This account shall include the cost of supplies consumed and expenses incurred in the operation of surface gas storage facilities at or adjacent to local distribution systems.

Maintenance

B A 758.4 Maintenance Supervision and Engineering.

This account shall include the cost of supervising and directing the maintenance of local gas storage facilities. (See Operating expense instruction 4.)

B A 758.5 Maintenance of Structures and Improvements.

This account shall include the cost of maintenance of buildings, structures, fixtures, and improvements used in connection with the local storage of gas, the book cost of which is included in Account 346, Structures and Improvements.

B A 758.6 Maintenance of Gas Holders.

This account shall include the cost of maintenance of gas holders the book cost of which is included in Account 347, Gas Holders.

Note.--This account shall also include the cost of maintenance of holders for gas stored in liquefied form whether such holders are above ground or buried.

B A 758.7 Maintenance of Liquefaction and Regasification Equipment.

This account shall include the cost of maintenance of equipment used for liquefying gas for storage and delivering gas from liquefied storage, the book cost of which equipment is included in Account 348, Liquefaction and Regasification Equipment.

B A 758.8 Maintenance of Other Local Gas Storage Equipment.

This account shall include the cost of other equipment used in connection with the local storage of gas the book cost of which is included in Account 349, Other Local Gas Storage Equipment.

Miscellaneous**B A 758.9 Local Storage Rents.**

This account shall include all rents for property of others used, occupied, or operated in connection with the local storage of gas.

B A 758.10 Joint Expenses--Dr.

A. This account shall include amounts payable by the gas department to others or to a coordinate department for joint facilities used, occupied, or operated in connection with the local storage of gas. (See Operating expense instruction 6.

B. The records supporting entries to this account shall be so kept that the utility can furnish a complete explanation of the debits to this account, including the following:

- Charges from Others.
- Charges from Coordinate Departments.

B A 758.11 Joint Expenses--Cr.

A. This account shall include such portion of the cost of operating and maintaining joint facilities operated by the gas department in connection with the local storage of gas as is charged to others or to coordinate departments. (See Operating expense instruction 6.)

B. The records supporting the entries to this account shall be so kept that the utility can furnish a complete explanation of the credits to this account, including the following:

- Charges to Others.
- Charges to Coordinate Departments.

III. TRANSMISSION EXPENSES**OPERATION****B A 759.1 Operation Supervision and Engineering.**

This account shall include the cost of supervising and directing the operation of transmission facilities. (See Operating expense instruction 4.)

B 759.2 Operation Labor.**A 759.21 Mains Operation Labor.**

This account shall include the pay of employees engaged in the operation of transmission mains.

A 759.22 Compressor Station Labor.

This account shall include the pay of employees engaged in the operation of transmission compressor stations.

A 759.23 Measuring and Regulating Station Labor.

This account shall include the pay of employees engaged in the operation of transmission measuring and regulating stations.

A 759.24 Other Operation Labor.

This account shall include the pay of employees engaged in transmission operations not provided for in the foregoing accounts.

B 759.3 Operation Supplies and Expenses.**A 759.31 Mains Operation Supplies and Expenses.**

This account shall include the cost of supplies used and expenses incurred in connection with the operation of transmission mains.

A 759.32 Compressor Station Supplies and Expenses.

This account shall include the cost of fuel and supplies used and expenses incurred in connection with the operation of transmission compressor stations.

A 759.33 Measuring and Regulating Station Supplies and Expenses.

This account shall include the cost of supplies used and expenses incurred in connection with the operation of transmission measuring and regulating stations.

A 759.34 Other Operation Supplies and Expenses.

This account shall include the cost of supplies used and expenses incurred in connection with transmission operations not provided for in the foregoing accounts.

B A 759.4 Transmission Maps and Records.

This account shall include salaries paid and expenses incurred in connection with the preparation of maps and records of transmission plant, including the cost of stationery, drawing materials, etc.

MAINTENANCE**B A 760.1 Maintenance Supervision and Engineering.**

This account shall include the cost of supervising and directing the maintenance of transmission facilities. (See Operating expense instruction 4.)

B A 760.2 Maintenance of Structures and Improvements.

A. This account shall include the cost of maintenance of transmission buildings, structures, fixtures, and improvements, the book cost of which is included in Account 352, Structures and Improvements.

B. This account shall be subdivided by Class A utilities as follows:

760.21 Maintenance of Compressor Station Structures.

760.22 Maintenance of Measuring and Regulating Station Structures.

760.23 Maintenance of Other Structures.

B A 760.3 Maintenance of Transmission Mains.

This account shall include the cost of maintenance of transmission mains, the book cost of which is included in Account 353, Mains.

B A 760.4 Maintenance of Compressor Station Equipment.

This account shall include the cost of maintenance of transmission compressor station equipment, the book cost of which is included in Account 354.1, Compressor Station Equipment.

B A 760.5 Maintenance of Measuring and Regulating Station Equipment.

This account shall include the cost of maintenance of transmission measuring and regulating station equipment, the book cost of which is included in Account 354.2, Transmission Measuring and Regulating Station Equipment.

B A 760.6 Maintenance of Other Transmission System Equipment.

This account shall include the cost of maintenance of transmission plant, the book cost of which is included in Account 355, Other Transmission System Equipment.

MISCELLANEOUS

B A 761.1 Rents.

A. This account shall include all rents for property of others used, occupied, or operated in connection with the operation of the transmission system, including annual payments to governmental bodies and others for use of public or private lands and reservations for transmission line rights-of-way. (See Operating expense instruction 5.)

B. This account shall be subdivided as follows:

- 763.1 Transmission and Compression of Gas by Others.
- 763.2 Rents.

B A 761.2 Transmission and Compression of Gas by Others.

This account shall include the amounts of payments for compression of the utility's gas by others or transmission by others of gas of the utility.

B A 761.3 Joint Expenses—Dr.

A. This account shall include amounts payable by the gas department to others or to a coordinate department for joint facilities used, occupied, or operated in connection with the transmission of gas. (See Operating expense instruction 6.)

B. The records supporting the entries to this account shall be so kept that the utility can furnish a complete explanation of the debits to this account, including the following:

- Charges from others.
- Charges from coordinate departments.

B A 761.4 Joint Expenses—Cr.

A. This account shall include such portion of the cost of operating and maintaining joint facilities, operated in connection with the transmission of gas as is charged to others, or to a coordinate department. (See Operating expense instruction 6.)

B. The records supporting the entries to this account shall be so kept that the utility can furnish a complete explanation of the credits to this account, including the following:

Charges to others.

Charges to coordinate departments.

IV. DISTRIBUTION EXPENSES**A. City Gate and Main Line Industrial Measuring and Regulating Station Expenses****OPERATION****B A 764.1 Operation Supervision and Engineering.**

This account shall include the cost of supervising and directing the operation of city gate and main line industrial measuring and regulating stations. (See Operating expense instruction 4.)

B A 764.2 Operation Labor.

This account shall include the pay of employees engaged in the operation of city gate and main line industrial measuring and regulating stations.

B A 764.3 Operation Supplies and Expenses.

This account shall include the cost of supplies used and expenses incurred in connection with the operation of city gate and main line industrial measuring and regulating stations.

Maintenance**B A 764.4 Maintenance Supervision and Engineering.**

This account shall include the cost of supervising and directing the maintenance of city gate and main line industrial measuring and regulating stations. (See Operating expense instruction 4.)

B A 764.5 Maintenance of Structures and Improvements.

This account shall include the cost of maintenance of buildings, structures, fixtures, and improvements, used in connection with the operation of city gate and main line industrial measuring and regulating stations, the book cost of which is included in Account 356.2, Structures and Improvements.

B A 764.6 Maintenance of Measuring and Regulating Station Equipment.

This account shall include the cost of maintenance of measuring and regulating station equipment, the book cost of which is included in Account 356.3, Measuring and Regulating Station Equipment.

Miscellaneous**B A 764.7 Rents.**

This account shall include all rents for property of others used, occupied, or operated in connection with the operation of city gate and main line industrial measuring and regulating stations. (See Operating expense instruction 5.)

B A 764.8 Joint Expenses--Dr.

A. This account shall include amounts payable by the gas department to others or to a coordinate department for joint facilities used, occupied, or operated in connection with city gate and main line industrial measuring and regulating stations. (See Operating expense instruction 6.)

B. The records supporting the entries to this account shall be so kept that the utility can furnish a complete explanation of the debits to this account, including the following:

Charges from Others.
Charges from Coordinate Departments.

B A 764.9 Joint Expenses--Cr.

A. This account shall include such portion of the cost of operating and maintaining joint facilities, operated in connection with city gate and main line measuring and regulating stations as is charged to others, or to a coordinate department. (See Operating expense instruction 6.)

B. The records supporting the entries to this account shall be so kept that the utility can furnish a complete explanation of the credits to this account, including the following:

Charges to Others.
Charges to Coordinate Departments.

B. General Distribution Expenses

OPERATION

BA 765. Operation Supervision and Engineering.

This account shall include the cost of supervising and directing the operation of distribution facilities. (See Operating expense instruction 4.)

B 766. Distribution Office Expenses.**A 766.1 Distribution Maps and Records.**

This account shall include salaries and expenses for the preparation of distribution maps and records, including the cost of stationery, drawing materials, etc.

A 766.2 Other Distribution Office Expenses.

This account shall include such distribution office expense as heat, ice water, office supplies, stationery and printing, telephone tolls and rentals, janitor service, etc.

B 767. Operation of Distribution Lines.**A 767.1 Operation of Distribution Mains.**

This account shall include the pay of employees and expenses incurred in the operation of distribution mains.

A 767.2 Operation of Distribution Compressor Stations.

This account shall include the pay of employees and expenses incurred in the operation of compressor station equipment located on local distribution systems.

A 767.3 Operation of Distribution Measuring and Regulating Station Equipment.

This account shall include the pay of employees and expenses incurred in the operation of measuring and regulating station equipment located on local distribution systems exclusive of equipment used to serve specific customers.

B 768. Operation of Meters.**A 768.1 Removing and Resetting Meters.**

This account shall include the cost of labor and materials used and expenses incurred in resetting, removing or changing meters or house regulators on customers' premises.

NOTE.—The cost of the first setting of a meter or a house regulator shall be charged to Account 363, Meter Installations, or Account 365, House Regulator Installations, as appropriate.

A 768.2 Miscellaneous Meter Expenses.

This account shall include the cost of labor and supplies, such as stationery, postage, telephone rentals and tolls, fuel, tools, and other expenses of the meter department not provided for elsewhere.

B A 769.1 Operation of Industrial Measuring and Regulating Stations.

This account shall include the cost of labor and materials and expenses incurred in the operation of large measuring and regulating stations located on local distribution systems to serve specific large industrial and commercial customers.

B A .769.2 Services on Customers' Premises.

A. This account shall include the cost of labor employed, materials used, and expenses incurred in work on customers' premises other than expenses includible in account 768.

B. 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 on which the employee was engaged at the time the damage occurred.

ITEMS

1. Improving character of service.
2. Inspecting and adjusting customers' equipment, including adjustments in connection with changes in B. t. u. content, pressure or other characteristics of gas supplied whether required by regulatory authorities or at the request of the customer.
3. Inspecting premises.
4. Installing, removing, and renewing gas lights.
5. Investigating and adjusting customers' service complaints.
6. Testing customers' equipment.

NOTE.—Do not include in this account expenses incurred in connection with merchandising, jobbing, and contract work.

B A 770. Operation of Other Distribution Equipment.

This account shall include the cost of labor and materials used and expenses incurred in the operation of other distribution equipment the expenses of operation of which are not provided for elsewhere, including expenses of operating street lighting systems.

MAINTENANCE

B A 771. Maintenance Supervision and Engineering.

This account shall include the cost of supervising and directing the maintenance of distribution facilities. (See Operating expense instruction 4.)

B A 772. Maintenance of Structures and Improvements.

This account shall include the cost of maintenance of distribution buildings, structures, fixtures, and improvements, the book cost of which is included in Account 358, Structures and Improvements.

B 773. Maintenance of Distribution Lines.

A 773.1 Maintenance of Mains.

This account shall include the cost of maintenance of distribution mains, the book cost of which is included in Account 359, Mains.

A 773.2 Maintenance of Compressor Station Equipment.

This account shall include the cost of maintenance of distribution compressor station equipment, the book cost of which is included in Account 360.1, Distribution System Compressor Station Equipment.

A 773.3 Maintenance of Measuring and Regulating Station Equipment.

This account shall include the cost of maintenance of distribution measuring and regulating station equipment, the book cost of which is included in Account 360.2, Distribution System Measuring and Regulating Station Equipment.

A 773.4 Maintenance of Services.

This account shall include the cost of maintenance of services, the book cost of which is included in Account 361, Services.

A 773.5 Maintenance of Meters.

This account shall include the cost of testing and maintaining customers' meters, the book cost of which is included in Account 362, Meters.

NOTE.—The initial testing of meters shall be charged to Account 362, Meters.

A 773.6 Maintenance of House Regulators.

This account shall include the cost of maintaining house regulators, the book cost of which is included in Account 364, House Regulators.

A 773.7 Maintenance of Industrial Measuring and Regulating Station Equipment.

This account shall include the cost of maintenance of measuring and regulating station equipment located on local distribution systems to serve specific large industrial and commercial customers, the book cost of which equipment is included in Account 366.1, Industrial Measuring and Regulating Station Equipment.

A 773.8 Maintenance of Other Property on Customers' Premises.

This account shall include the cost of maintenance of property on customers' premises, the book cost of which is included in Account 366.2, Other Property on Customers' Premises.

B A 774. Maintenance of Other Distribution Equipment.

This account shall include the cost of maintenance of all other distribution system equipment not provided for elsewhere, the book cost of which is included in Account 367, Other Distribution System Equipment, including street lighting equipment.

MISCELLANEOUS

B A 776. Rents.

This account shall include all rents for property of others used, occupied, or operated in connection with the operation of the distribution system, including annual payments to governmental bodies and others for the use and occupancy of public or private lands and reservations for distribution line rights-of-way. (See Operating expense instruction 5.)

B A 777.1 Joint Expenses—Dr.

A. This account shall include amounts payable by the gas department to others or to a coordinate department for joint facilities used, occupied, or operated in connection with the distribution of gas. (See Operating expense instruction 6.)

B. The records supporting the entries to this account shall be so kept that the utility can furnish a complete explanation of the debits to this account, including the following:

Charges from others.

Charges from coordinate departments.

B A 777.2 Joint Expenses—Cr.

A. This account shall include such portion of the cost of operating and maintaining joint facilities operated by the utility in connection with the distribution of gas as is charged to others or to another coordinate department. (See Operating expense instruction 6.)

B. The records supporting the entries to this account shall be so kept that the utility can furnish a complete explanation of the credits to this account, including the following:

Charges to others.

Charges to coordinate departments.

V. CUSTOMERS' ACCOUNTING AND COLLECTING EXPENSES

B A 779. Supervision.

This account shall include the cost of supervising and directing work on customers' contracts, orders, inquiries and accounts, and in meter reading, and collecting. (See Operating expense instruction 4.)

B 780. Customers' Contracts, Orders, Meter Reading, and Collecting.**A 780.1 Customers' Contracts and Orders.**

This account shall include the pay and expenses of employees engaged in work on customers' applications, contracts, orders, complaints, and inquiries, and supplies used and expenses incurred in connection therewith.

ITEMS

- | | |
|-------------------------------------------|---------------------|
| 1. Books. | 4. Office supplies. |
| 2. Building service (not including rent). | 5. Stationery. |
| 3. Postage. | 6. Transportation. |

A 780.2 Credit Investigations and Records.

This account shall include the pay and expenses of employees engaged in investigations of customers' credit and the keeping of records pertaining thereto, including supplies used and expenses incurred in connection therewith.

ITEMS

- | | |
|-------------------------------------------|--------------------|
| 1. Books. | 4. Postage. |
| 2. Building service (not including rent). | 5. Stationery. |
| 3. Office supplies. | 6. Transportation. |

NOTE.—The keeping of this account is optional. If not used, charges provided for herein shall be included in Account 780.1, Customers' Contracts and Orders.

A 780.3 Meter Reading.

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

ITEMS

- | | |
|-------------------------------------------|---------------------------|
| 1. Badges. | 4. Lamps. |
| 2. Building service (not including rent). | 5. Meter readers, pay of. |
| 3. Forms for recording readings. | 6. Transportation. |
| | 7. Uniforms. |

A 780.4 Collecting.

This account shall include the pay and expenses of employees engaged in collecting customers' bills, and supplies used and expenses incurred in connection therewith; also corresponding payments to attorneys, collection agencies or others, not employees of the utility, who are engaged in making such collections.

ITEMS

- | | |
|--------------------------------------------------|-----------------------------------|
| 1. Building service (not including rent). | 4. Office supplies. |
| 2. Commissions, fees, or salaries of collectors. | 5. Postage. |
| 3. Disconnection for nonpayment of bills. | 6. Stationery and printing. |
| | 7. Transportation. |
| | 8. Cashiers, pay and expenses of. |

NOTE.—The keeping of this account is optional. If not used, charges provided for herein shall be included in Account 780.1, Customers' Contracts and Orders.

B A 781. Customers' Billing and Accounting.

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

ITEMS

- | | |
|-------------------------------------------|----------------------------------------------|
| 1. Accounts, customers', keeping of. | 7. Delivery of bills. |
| 2. Address plates. | 8. Office supplies. |
| 3. Billing. | 9. Postage. |
| 4. Bookkeeping. | 10. Stationery and printing. |
| 5. Books. | 11. Statistical work on customers' accounts. |
| 6. Building service (not including rent). | 12. Tabulating sales. |
| | 13. Transportation. |

B A 782. Miscellaneous Expenses.

This account shall include the labor and materials and expenses, which are not chargeable to the foregoing accounts, and which were used or incurred in customers' accounting and collecting.

B A 783. Uncollectible Accounts.

This account shall be charged each month with amounts sufficient to provide for losses from uncollectible gas revenues. Concurrent credits shall be made to Account 254, Reserve for Uncollectible Accounts. Losses for uncollectible accounts shall be charged to such reserve.

B A 784. Rents.

This account shall include rents of property of others used in connection with customers' accounting and collecting. (See Operating expense instruction 5.)

VI. SALES PROMOTION EXPENSES**B A 785. Supervision.**

This account shall include the cost of supervising and directing the sales department and the solicitation of new business, including assistants, stenographers, and clerical help on records. (See Operating expense instruction 4.)

NOTE.—Do not include in this account sales supervision in connection with merchandise or appliance sales.

B A 786. Salaries and Commissions.

This account shall include the salaries and commissions paid salesmen for canvassing and soliciting new business, including the cost of preparing estimates for industrial and other customers.

B 787. Demonstration, Advertising, and Other Sales Expenses.**A 787.1 Demonstration.**

This account shall include the cost of labor and materials used and expenses incurred in demonstrating the use of appliances or other equipment.

ITEMS**1. Employees:**

- (a) Demonstrators.
- (b) Instructors.
- (c) Typists and clerks.

2. Expenses:

- (a) Building service (not including rent).
- (b) Communication service.
- (c) Demonstration supplies.
- (d) Electric service.
- (e) Transportation.

NOTE.—Do not include in this account demonstration expense incurred in connection with merchandise or appliance sales.

A 787.2 Advertising.

This account shall include the cost of labor and materials used and expenses incurred in connection with advertising for the purpose of promoting the sales of gas.

ITEMS

1. Advertising in newspapers, periodicals, etc.
2. Advertising manager and assistants.
3. Clerks.
4. Materials and expenses in preparing:

(a) Advertisements.	(d) Dodgers.
(b) Booklets.	(e) Posters.
(c) Bulletins.	
5. Stenographers and typists.

NOTE.—Do not include in this account advertising in connection with merchandise or appliance sales.

A 787.3 Miscellaneous Sales Expenses.

This account shall include the cost of labor and materials used and expenses incurred in soliciting new business, except amounts chargeable to the foregoing accounts.

NOTE.—Do not include in this account expenses incurred in connection with merchandise or appliance sales.

B A 788. Rents.

This account shall include rents properly includible in operating expenses for property of others used by the sales promotion organization. (See Operating expense instruction 5.)

B A 789. Merchandising, Jobbing, and Contract Work.

A. This account shall include all expenses of merchandising, jobbing, and contract work; also all revenues derived from the sale of gas merchandise, and jobbing or contract work, including any profit or commissions accruing to the utility from jobbing work performed by it as agent under agency contracts, whereby it undertakes to do jobbing work for another for a stipulated profit or commission.

B. This account shall be subdivided as follows:

789.1 Revenues from Merchandising, Jobbing, and Contract Work.

789.2 Costs and Expenses of Merchandising, Jobbing, and Contract Work.

Account 789.2 shall be further subdivided so as to show the major items of costs and expenses.

ITEMS

1. Advertising in connection with the sale of merchandise.
2. Cost of merchandise sold, and of materials used for jobbing work, including transportation, storage, handling.
3. Depreciation.
4. Direct taxes.
5. Discounts and allowances made in settlement of bills for merchandise and jobbing work.
6. General administrative expenses.
7. Insurance.
8. Inventory adjustments, merchandise.

9. Light, heat, and power.
10. Losses from uncollectible accounts.
11. Miscellaneous.
12. Pay and expenses of employees engaged in clerical work, and bookkeeping in connection with merchandising.
13. Pay and expenses of all employees engaged in selling, delivery, installation, etc., as well as supervision of such employees.
14. Reconditioning repossessed appliances.
15. Rent of general quarters.
16. Revenue from the sale of merchandise and from jobbing and contract work.
17. Stores expense on merchandise stocks.

NOTE.—The income from gas merchandising, jobbing, and contract work shall be reported in this account if State statutes or orders of the commission having jurisdiction over the utility permit such income to be reported as an operating expense item, but the amount shall be reported in Account 520, Income from Merchandising, Jobbing, and Contract Work, if the statutes or orders of the commission require such income to be reported as nonoperating income.

VII. ADMINISTRATIVE AND GENERAL EXPENSES

B A 790. Salaries of General Officers and Executives.

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

B. This account may be subdivided in accordance with the utility's administrative organization, such as executive, accounting, treasury, legal, etc.

NOTE.—This account shall not include directors' fees paid to officers and executives.

B A 791. Other General Office Salaries.

A. This account shall include the compensation (salaries, bonuses, and other consideration for services) of employees engaged in the general or divisional offices properly chargeable to gas operations and not chargeable directly to a particular gas function.

B. This account may be subdivided in accordance with the utility's administrative organization, such as executive, accounting, treasury, legal, etc.

B 792. Expenses of General Officers and General Office Employees.

A 792.1 Expenses of General Officers.

A. This account shall include the expenses incurred for the benefit of the utility in its gas operations by officers whose salaries are included in account 790, and which are not chargeable directly to a particular gas function.

B. This account may be subdivided in accordance with the utility's administrative organization, such as executive, accounting, treasury, legal, etc.

ITEMS

1. Hotel.
2. Meals, including payment therefor on account of overtime work.
3. Membership fees and dues in trade, technical, and professional associations.
4. Traveling expenses.

A 792.2 Expenses of General Office Employees.

A. This account shall include the expenses incurred for the benefit of the utility in its gas operations by employees whose salaries are included in account 791, and which are not chargeable directly to a particular gas function.

B. This account may be subdivided in accordance with the utility's administrative organization, such as executive, accounting, treasury, legal, etc.

ITEMS

1. Hotel.
2. Meals, including payment therefor on account of overtime work.
3. Membership fees and dues in trade, technical, and professional associations.
4. Traveling expenses.

B A 793. General Office Supplies and Expenses.

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

B. This account may be subdivided in accordance with the utility's administrative organization, such as executive, accounting, treasury, legal, etc.

ITEMS

1. Automobile service, including charges through Clearing Account 903, Transportation Expenses—Clearing.
2. Books and periodicals for office use.
3. Building service (not including rent).
4. Communication service.
5. Office supplies.
6. Postage.
7. Printing.
8. Stationery.

NOTE.—Office expenses which are clearly applicable to any group of operating expenses other than administrative and general shall not be included in this account.

B A 794. Management and Supervision Fees and Expenses.

A. This account shall include amounts payable by the gas department to any corporation, firm, or individual, for general supervision and management services and expenses.

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

B A 795. Special Services.

This account shall include amounts payable to any corporation, firm, or individual, other than officers and employees of the utility, for special services to the gas department if the amounts are not includible in Account 794, Management and Supervision Fees and Expenses, or Account 796, Special Legal Services, or are not chargeable directly to other gas operating expense accounts or clearing or plant accounts.

ITEMS

- | | |
|-----------------------------------|-----------------|
| 1. Services: | 2. Expenses: |
| (a) Auditing and account-
ing. | (a) Hotel. |
| (b) Budget. | (b) Meals. |
| (c) Personnel. | (c) Printing. |
| (d) Publication. | (d) Stationery. |
| (e) Rates. | (e) Traveling. |
| (f) Secretarial. | |
| (g) Statistical. | |
| (h) Supervisory. | |

B A 796. Special Legal Services.

This account shall include amounts payable to any corporation, firm, or individual, other than officers and employees of the utility, for legal services and related expenses of the gas department which are not chargeable directly to Account 797, Regulatory Commission Expenses, or to other gas operating expense accounts or to clearing or plant accounts.

NOTE.—Pay and expenses of the legal staff of the utility shall not be included herein, but in such other accounts as may be appropriate.

B A 797. Regulatory Commission Expenses.

A. This account shall include all expenses (except pay of regular employees only incidentally engaged in such work) properly includible in gas operating expenses, incurred by the utility or assessed by a regulatory commission, in connection with formal cases before regulatory commissions, or other regulatory bodies, or cases in which such a body is a party, including payments made to a regulatory commission for fees assessed against the accounting utility for pay and expenses of such commission, its officers, agents, and employees.

B. Amounts of regulatory commission expenses which by approval or direction of the Commission are to be spread over future periods shall be charged to Account 146, Other Deferred Debits, and amortized by charges to this account.

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

ITEMS

1. Salaries, fees, retainers, and expenses of counsel, solicitors, attorneys, accountants, engineers, clerks, attendants, witnesses, and others engaged in the prosecution of, or defense against, petitions or complaints presented to regulatory bodies, or in the valuation of property owned or used by the utility in connection with such cases.

2. Expenses: Engineering supplies, office expenses, payments to public service or other regulatory commissions, stationery and printing, traveling expenses, and other expenses incurred directly in connection with formal cases before regulatory commissions.

NOTE A.—Exclude from this account and include in other appropriate operating expense accounts expenses incurred in the improvement of service, additional inspection, or rendering reports, which are made necessary by the rules and regulations, or orders, of regulatory bodies.

NOTE B.—Do not include in this account amounts includible in Account 302, Franchises and Consents, Account 140, Unamortized Debt Discount and Expense, or Account 151, Capital Stock Expense.

B A 798. Insurance.

This account shall include the cost of insurance to protect the utility against losses and damages to owned or leased property used in its gas operations, except as provided in note C, hereunder. There shall be included in this account the premiums payable to insurance companies or amounts credited to Account 255, Insurance Reserve, for fire, storm, burglary, boiler explosion, lightning, and other insurance; and special costs incurred in procuring insurance, such as insurance inspection service, and the pay, traveling, and office expenses of officers, clerks, and other employees of an insurance department.

NOTE A.—Recoveries from insurance companies or others for property damages shall be credited to the account charged with the cost of the damage. If the damaged property has been retired, the credit shall be to Account 250.1. Reserve for Depreciation of Gas Plant, or other appropriate reserve account.

NOTE B.—The utility shall keep its records so as to show the amount of coverage for each class of insurance carried, the property covered, the applicable premiums, and the distribution of the costs to specific operations or functions.

NOTE C.—The cost of insurance to protect the utility against losses and damages to the following classes of owned or leased property used in gas operations shall be charged as indicated:

Laboratory equipment, to Account 904, Laboratory Expenses—Clearing.

Materials and supplies and stores equipment, to Account 902, Stores Expenses—Clearing.

Transportation and garage equipment, to Account 903, Transportation Expenses—Clearing.

NOTE D.—Exclude from this account insurance on officers and employees. (See account 800.1.)

B A 799. Injuries and Damages.

A. This account shall include losses not covered by insurance on account of injuries or deaths to employees or others, which occur in connection with gas operations, and payments and expenses on account of damages to the property of others or for nonperformance of contractual obligations, whether the loss be occasioned by fire, flood, storm, or other cause. Amounts may be accrued monthly sufficient to meet the probable liability for such losses, concurrent credits being made to Account 256, Injuries and Damages Reserve, in which case losses sustained shall be charged to the reserve.

B. This account shall also include:

Pay and expenses of officers and employees regularly engaged in or specifically assigned to work in connection with injuries to employees or others, damages to property of others, etc.

Payments to attorneys, investigators, and adjusters, court costs, etc.

Insurance premiums for protection against claims from injuries and damages, including public liability, property damages, boiler, casualty, employees' liability, etc., except as provided in note C, hereunder.

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

NOTE A.—Payments to or in behalf of employees, including accident and death benefits, salaries, hospital expenses, medical supplies; also salaries, fees, and expenses of surgeons, doctors, nurses, etc., or amounts reserved for such payments; when provided for through a plan for employees' benefits, shall be charged to Account 800, Employees' Welfare Expenses and Pensions.

NOTE B.—No part of the salaries of officers or employees of the law department shall be included in this account for merely incidental services in connection with injury and damage claims.

NOTE C.—Losses or insurance premiums paid in connection with transportation and garage equipment shall be charged to Account 903, Transportation Expenses—Clearing.

NOTE D.—Exclude from this account insurance on officers and employees and the cost of injuries and damages chargeable directly to gas plant accounts, clearing accounts, or to other appropriate accounts.

B 800. Employees' Welfare Expenses and Pensions.

A 800.1 Employees' Welfare Expenses.

This account shall include the expenses incurred in conducting employees' accident prevention, educational, and recreational activities; the cost of employees' relief and benefits (other than pensions, and injuries and damages chargeable to Account 799, Injuries and Damages) and the cost of life insurance for employees where the utility is not the beneficiary.

NOTE.—When the utility is the beneficiary of insurance on officers or employees, the cost of such insurance shall be charged to Account 538, Miscellaneous Income Deductions, or, at the option of the utility, the cash surrender value may be included in Account 133, Other Current and Accrued Assets, in which event the excess of cost of the insurance over such cash surrender value shall be charged to Account 538, Miscellaneous Income Deductions.

A 800.2 Pensions.

A. This account shall include pensions paid to retired employees or to their heirs.

B. If the utility has definitely undertaken by contract to pay pensions to employees of its gas department when retired, it shall charge to this account monthly amounts to provide for the payment of such pensions or for the purchase of annuities for that purpose. The amounts so charged shall be credited concurrently to Account 257, Employees' Provident Reserve.

C. The utility shall maintain a complete record of the computations of the accruals of its pension liabilities.

D. The utility shall inform the Commission of the details of its pension plan, giving a full statement of the facts thereof, together with the actuarial formula, if any, under which it has created or proposes to create its pension fund, and shall furnish a copy of the declaration of trust or resolution under which the pension plan is established.

B A 801. Miscellaneous General Expenses.

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 for such amounts as may be properly chargeable to other accounts); fees of transfer agents, registrars of stock, and fiscal agents; directors' fees; and any other miscellaneous expenses connected with the general management and not otherwise provided for.

B 802. Maintenance of General Property.

A 802.1 Maintenance of Structures and Improvements.

This account shall include the cost of maintenance of general buildings, the book cost of which is included in Account 371, Structures and Improvements.

A 802.2 Maintenance of Office Furniture and Equipment.

This account shall include the cost of maintenance of office furniture and equipment used by the administrative divisions of the gas department.

NOTE.—The cost of maintenance of office furniture and equipment used elsewhere than in the administrative departments shall be charged to the appropriate maintenance, construction, or clearing accounts.

A 802.3 Maintenance of Communication Equipment.

This account shall include the cost of maintenance of communication equipment for general use in connection with the utility's operations, the book cost of which is included in Account 378, Communication Equipment.

NOTE.—If a clearing account is kept for distribution of communication expenses to the appropriate accounts, the maintenance of communication equipment may be charged thereto and the use of this account discontinued.

A 802.4 Maintenance of Miscellaneous Property.

This account shall include the cost of maintenance of miscellaneous property not provided for elsewhere, including miscellaneous general equipment, the book cost of which is included in Account 379, Miscellaneous Equipment, and tools and work equipment included in Account 377, Tools and Work Equipment.

NOTE.—Maintenance of tools and work equipment may be charged to clearing account 906.

B A 803. Rents.

This account shall include rent properly includible in gas operating expense covering the property of others used, occupied, or operated in connection with the general and administrative functions of the utility. (See Operating expense instruction 5.)

B A 804. Commissions Paid Under Agency Sales Contracts.

This account shall include the amount paid or payable by the utility to agents as commission for distributing gas over the agent's distribution lines and selling the same, and for all services performed in connection therewith.

NOTE A.—This account shall be used only when sales are made under rates schedules filed by the accounting utility and when the gross receipts therefrom are credited to it; otherwise the transactions shall be accounted for as sales of gas.

NOTE B.—Records pertaining to each agency sales contract shall be so kept by the utility as to show full particulars as to amounts paid for each kind of service rendered thereunder.

B A 805. Franchise Requirements.

A. This account shall include payments to municipal or other governmental authorities, and the cost of materials, supplies, and services, furnished such authorities without reimbursement in compliance with franchise, ordinance, or similar requirements, provided, however, that the utility may charge to this account at regular tariff rates, instead of cost, gas furnished without charge under provisions of franchises.

B. When no direct outlay is involved, concurrent credits for such charges shall be to Account 806, Duplicate Miscellaneous Charges—Cr.

C. This account shall be subdivided as follows:

805.1 Cash Outlays.

805.2 Gas Supplied without Charge—Dr.

805.3 Other Items Furnished without Charge—Dr.

NOTE A.—Taxes shall not be charged to this account. (See Account 507, Taxes.)

NOTE B.—The cost of plant, supplies, etc., given as an initial consideration for a franchise running for more than one year, shall be charged to Account 302, Franchises and Consents.

B A 806. Duplicate Miscellaneous Charges—Cr.

A. This account shall include concurrent credits for charges which are made to Account 805, Franchise Requirements, to the extent that such charges do not represent direct outlays. It shall also include concurrent credits for duplicate charges made to operating expense or other accounts of the gas department which are not provided for elsewhere.

B. This account shall be kept in such manner as to disclose the nature and amount of each item included herein.

B A 807. Administrative and General Expenses Transferred—Cr.

A. This account shall be credited with amounts recorded in administrative and general expenses which are properly includible in construction costs.

B. The records supporting this account shall be so kept as to show the bases of determining the amounts which are transferred to construction. (See also Gas plant instruction 6.)

B A 808. Joint Expenses—Dr.

A. This account shall include amounts payable by the gas department to others or to a coordinate department for joint facilities used, occupied, or operated in connection with administrative and general functions of the utility. (See Operating expense instruction 6.)

B. The records supporting the entries to this account shall be so kept that the utility can furnish a complete explanation of the debits to this account, including the following:

Charges from others.

Charges from coordinate departments.

B A 809. Joint Expenses—Cr.

A. This account shall include such portion of the cost of operating and maintaining joint facilities operated by the gas department in connection with its administrative and general functions as is chargeable to others, or to a coordinate department. (See Operating expense instruction 6.)

B. The records supporting the entries to this account shall be so kept that the utility can furnish a complete explanation of the credits to this account, including the following:

Charges to others.

Charges to coordinate departments.

CLEARING ACCOUNTS

- 901. Charges by Associated Companies—Clearing.
- 902. Stores Expenses—Clearing.
- 903. Transportation Expenses—Clearing.
- 904. Laboratory Expenses—Clearing.
- 905. Shop Expenses—Clearing.
- 906. Tools and Work Equipment Expenses—Clearing.

CLEARING ACCOUNTS

901. Charges by Associated Companies—Clearing.

A. This account shall include all charges made by associated companies against the utility for any purposes whatsoever, except interest, including charges for management, supervision, purchasing, construction, accounting, engineering, legal, financial, rent, advertising, materials and supplies, equipment and other property, commissions, taxes, and other items.

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

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

NOTE.—The mandatory use of this account may be suspended upon notice of such suspension filed with the Commission, provided the natural gas company keeps a separate account for transactions with each associated company and that all charges by associated companies be recorded in the associated company accounts, and provided further that such accounts be maintained so as to permit ready analysis.

902. Stores Expenses—Clearing.

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

B. Cash discounts shall be credited hereto when such discounts cannot be applied to the cost of particular materials.

C. This account shall be cleared by adding to the cost of materials and supplies a suitable loading charge which will distribute the expense equitably over stores issued.

ITEMS

1. Adjustments of inventories of materials and supplies.
2. Books, stationery, and office supplies.
3. Building service.
4. Collecting and handling scrap materials in stores.
5. Communication service.
6. Discount on materials when not assignable to specific items.
7. Freight, express, etc., when not assignable to specific items.
8. Heat, light, and power for storerooms and stores offices.
9. Injuries and damages.
10. Inspecting and testing materials and supplies, when not assignable to specific items.
11. Insurance on materials and supplies and on stores equipment.
12. Losses due to breakage, leakage, evaporation, fire, and other causes. Credit any amounts received from insurance, transportation companies, or others in compensation of such losses.

13. Maintenance of stores equipment.
14. Pay and expenses of storekeepers, clerks, and others employed in storerooms or in store offices.
15. Postage, stationery, and printing.
16. Rents.
17. Taxes, direct.
18. Transporting materials into storehouse, when not assignable to specific items.

NOTE A.—Large differences in the accounts disclosed by inventories, which can readily be assigned to important classes of materials, shall be equitably adjusted among the accounts to which such classes of materials have been charged since the previous inventory. Other differences shall be equitably apportioned among the accounts to which materials have been charged, or included in Account 902, Stores Expenses—Clearing.

NOTE B.—Transportation charges on materials recovered from retirements of gas plant shall be charged to the account to which the cost of removal was charged.

903. Transportation Expenses—Clearing.

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

B. This account shall be cleared by apportionment to operating expenses, gas plant, or other accounts on a basis which will distribute the expenses equitably. Credits to this account shall be made in such detail as to permit ready analysis thereof.

ITEMS

1. Books and stationery.
2. Building service.
3. Communication service.
4. Depreciation of transportation equipment.
5. Feed and bedding for horses and mules.
6. Fuel and lubricants for vehicles (including sales and excise taxes thereon).
7. Freight, express, drayage, etc., on fuel, repair parts, etc.
8. Heat, light, and power for garage and garage office.
9. Injuries and damages.
10. Insurance on garage equipment and transportation equipment, including public liability and property damage.
11. License fees for vehicles and drivers.
12. Office supplies, postage, etc.
13. Operation of garages and stables.
14. Pay and expenses of drivers, mechanics, etc.
15. Rent of garage buildings and grounds.
16. Maintenance of transportation and garage equipment.
17. Rent of vehicles and other rents.
18. Taxes, direct.
19. Tires, tubes, and chains.

904. Laboratory Expenses—Clearing.

A. This account shall include the cost of supervision, pay of chemists, engineers, assistants, and other employees and expenses of such employees, engaged in the operation and maintenance of gas general laboratories.

B. This account shall be cleared by apportioning on an equitable basis the total of the expenses to operating expenses, gas plant, and other accounts benefited. Credits to this account shall be made in such detail as to permit ready analysis thereof.

ITEMS

- | | |
|-----------------------------------------------------------|------------------------------|
| 1. Books and stationery. | 7. Injuries and damages. |
| 2. Building service. | 8. Maintenance of equipment. |
| 3. Charts. | 9. Periodicals. |
| 4. Chemists and their assistants,
pay and expenses of. | 10. Rents. |
| 5. Communication service. | 11. Taxes, direct. |
| 6. Heat, light, and power. | 12. Testing supplies. |

NOTE.—The mandatory use of this account may be suspended upon order of the Commission if equivalent information is readily obtainable from other records of the utility.

905. Shop Expenses—Clearing.

A. This account shall include the cost of supervision, labor, and expenses incurred in the operation and maintenance of gas general shops of the utility.

B. This account shall be cleared by apportionment to operating expense, gas plant, or other accounts benefited on a basis which will distribute the expenses equitably. Credits to this account shall be made in such detail as to permit ready analysis.

ITEMS

- | | |
|------------------------------------------------|-------------------------------------------------------------------------------------------|
| 1. Books and stationery. | 7. Repairs to shop equipment. |
| 2. Building service. | 8. Rents. |
| 3. Collecting and handling scrap
materials. | 9. Pay and expenses of superin-
tendents, machinists, and
other employees in shops. |
| 4. Communication service. | 10. Taxes, direct. |
| 5. Heat, light, and power. | |
| 6. Injuries and damages. | |

906. Tools and Work Equipment Expenses—Clearing.

A. This account shall include the cost of supervision, labor, and expenses incurred in the operation and maintenance of the general tools and work equipment of the utility including direct taxes and depreciation on such equipment.

B. This account shall be cleared by apportionment to operating expense, gas plant, or other appropriate accounts on a basis which will distribute the expenses equitably according to the use of the equipment. Credits to this account shall be made in such detail as to permit ready analysis thereof.

ITEMS

1. Books and stationery.
2. Building service.
3. Communication service.
4. Depreciation of tools and work equipment.
5. Fuel and lubricants for equipment, including sales and excise taxes thereon.
6. Injuries to persons and damages to property of others in the operation of tools and work equipment.
7. Insurance.
8. License fees for equipment.
9. Pay and expenses of operators, mechanics, etc.
10. Rent of tools and work equipment.
11. Repairs to tools and work equipment.
12. Shop expenses.
13. Taxes, direct.

NOTE.—The use of this account is optional. If not used, maintenance of the equipment, to the extent applicable to operating expenses, shall be charged to account 802.4.

FEDERAL POWER COMMISSION

UNIFORM SYSTEM OF ACCOUNTS

PRESCRIBED FOR

NATURAL GAS COMPANIES

APPENDIX I

RETIREMENT UNITS

EFFECTIVE JANUARY 1, 1940

APPENDIX I
RETIREMENT UNITS
INSTRUCTIONS

1. The retirement units listed herein are prescribed and are to be accounted for in accordance with Gas plant instruction 12, Additions and Retirements of Gas Plant, contained in the main body of this system of accounts. The list of units may be expanded by any natural gas company without authorization from the Commission, but the list shall not be condensed. Thus the units listed herein are of maximum size and while subdivision thereof, or of the addition of other units, is permitted, the combination or the increase in size of such units is enjoined.

2. Wherever appropriate, the retirement of any retirement unit in the structures or equipment accounts shall include all costs of associated items which pertain solely to that unit, such as the cost of foundations, support, ladders, runways, enclosures, guards, driving mechanisms, indicating, recording, and measuring devices with their mountings, starting, control, regulating, protective, and safety devices, switchboards, special lighting conduits and wiring, pipes, ducts, spouts, chutes, hoppers, etc.

3. If, because of a contract previously entered into, adherence to the list of retirement units contained herein would cause an undue hardship, such as the loss of revenue to a particular utility, a petition for relief, giving therein a full disclosure of the facts and a suggested modification of the list necessary to avoid the hardship during the period of the contract, should be submitted to the Commission.

4. It is contemplated that the list of units contained herein will be revised and amended from time to time as experience and conditions warrant.

Note.--The retirement units listed in Appendix I, so far as applicable, shall be used in connection with the Uniform System of Accounts as amended August 22, 1950, effective January 1, 1951. Where account numbers have been changed, or new accounts added, the listed retirement units of corresponding previous or other accounts shall be used.

APPENDIX I

LIST OF RETIREMENT UNITS

[The article a, an, or the, as appropriate, should be read in connection with each retirement unit listed]

NOTE.—In all accounts where they occur the following shall be units if relatively costly and not an integral part of an item elsewhere classified as a retirement unit.

1. Assembly for two or more retirement units.
2. Blower or fan.
3. Control installation, automatic, semiautomatic, or remote.
4. Coupling device, i. e., speed reducer, speed increaser clutch, etc.
5. Driving unit, i. e., prime mover, motor, gas engine, etc.
6. Enclosure for two or more retirement units.
7. Foundation for a unit or item of equipment which is not intended to outlast the equipment for which provided.
8. Indicating instrument.
9. Piping, branch run of any class, 2 inches and over in size, between one or more units of property and a header.
10. Piping, run of any class, 2 inches or over in size, between two or more units of property.
11. Piping header.
12. Platforms, ladders, and runways.
13. Pump.
14. Recording device or instrument.
15. Tank.
16. Valves and cocks, 6-inch nominal pipe size and larger.
17. Valves and cocks below 6-inch nominal pipe size, rated for 300 pounds test pressure per square inch or greater.
18. Valves, special, i. e., motor-operated, hydraulic-operated, etc.
19. Weighing devices.

II. PRODUCTION PLANT

A. MANUFACTURED GAS PRODUCTION PLANT

312. Structures and Improvements—Manufactured Gas.

1. Air conditioning or ventilating system.
2. Boiler, furnace, hot-water heater, or automatic stoker.
3. Burner system, gas or oil.
4. Coal or ash conveying system.
5. Elevator complete with operating mechanism.
6. Equipment item, such as a motor, generator, engine turbine, pump, compressor, ventilating fan, air washer, elevator drum, or similar item of equipment includible in structures, with or without associated wiring, control equipment, etc.
7. Fire escape system.
8. Fire protection system.
9. Foundation, when includible in structures.
10. House-lighting or power board.
11. Lighting fixtures, with or without associated wiring and conduit.
12. Roof, with or without supporting members. (A structure of irregular shape having more than one roof level may have several isolated roofs, each of which shall be considered an entire roof. In the case of structures to which lateral extensions have been made, even though having but one roof level, that part of the roof covering an entire section built at one time shall be considered an entire roof.)
13. Structure, complete.
14. Stack, brick, concrete, or other masonry.
15. Bridge.
16. Culvert.
17. Draw span.
18. Road.
19. Trail.
20. Trestle.

313. Boiler Plant Equipment.**A. STEAM BOILER INSTALLATION:**

1. Boiler.
2. Foundation, boiler, when independent of structure.
3. Fuel burning equipment for one boiler (grates, stokers, stoker drive, burners, etc.)
4. Furnace.
5. Furnace walls or arches, air or water cooled, for one boiler.
6. Reheater.
7. Setting, boiler.
8. Soot blower system for one boiler.
9. Superheater, when separate from boiler.

B. DRAFT EQUIPMENT:

1. Air duct system.
2. Air heater.
3. Breeching system.
4. Cinder catching equipment.
5. Fan, draft.
6. Stack, with or without foundation.

C. FEED WATER SYSTEM:

1. Deaerator.
2. Economizer, when separate from boiler.
3. Heat exchanger.
4. Heater, feed water (main or stage).
5. Measuring and recording device.
6. Pump (main or stage).
7. Regulator, feed water.
8. Tank.

D. COAL FUEL EQUIPMENT:

1. Bin or bunker not includible in structures.
2. Capstan or winch, power.
3. Car.
4. Car dumper.
5. Chutes or spouts, system of.
6. Conveyor (belt, cableway, portable, screw, etc.).
7. Crane (locomotive, gantry, or monorail).
8. Crusher.
9. Electric trolley or third rail system.
10. Elevator (vertical, bucket, skip hoist).
11. Gates, chutes, downtakes, spreaders or hoppers, for one boiler.
12. Hoist or derrick.
13. Hopper, track or weigh.
14. Locomotive.
15. Lorry.
16. Scraper, drag.
17. Screening or sizing installation.
18. Separator, magnetic.
19. Structure, fuel handling, with mechanism (not includible in structures).
20. Track scale.
21. Track system.
22. Trestle.

E. PULVERIZED FUEL EQUIPMENT:

1. Air filter or washer.
2. Air preheater.
3. Air compressor.
4. Conveyor.
5. Chutes, ducts or transport pipes, system of.
6. Coal feeder, raw or powered.
7. Crusher.
8. Dryer.
9. Fan.
10. Hopper or bin.
11. Pulverizer.
12. Screening or sizing installation.
13. Separator, electric or mechanical (dust collector or concentrated).
14. Sludge pump.
15. Weighing machine, automatic.

313. Boiler Plant Equipment—Continued.**F. OIL FUEL EQUIPMENT:**

1. Heater.
2. Meter.

G. GAS FUEL EQUIPMENT:

1. Holder or tank.
2. Meter.
3. Pressure regulator or control device.

H. ASH HANDLING EQUIPMENT:

1. Car.
2. Conveyor or elevator.
3. Crane, hoist or derrick.
4. Electric trolley or third-rail system.
5. Fan.
6. Locomotive.
7. Removal system (vacuum, steam jet, or hydraulic).
8. Sluiceway or piping system.
9. Storage bin or pit.
10. Sump dredge.
11. Track system.

I. WATER SUPPLY AND PURIFICATION SYSTEM:

1. Meter.
2. Water softener or purification system.
3. Well.

J. VENTILATING EQUIPMENT:

1. Air duct system.
2. Blower.
3. Cooler or heater.
4. Washer.

K. INSTRUMENTS AND METERS:

1. Automatic control installation.
2. Master controller installation.
3. Panel section or a switch or instrument board.

L. BOILER PLANT PIPING:

1. Desuperheater.
2. Header of any class of piping, such as each pressure or temperature class of live steam, each pressure class of exhaust steam, raw water, treated water, feed water, drip and drain piping, boiler blowdown, compressed air, hot or cold service water, lubricating oil, fuel oil, gas, fire protection, etc.
3. Piping, branch run of any class, 2 inches or over in size, between one or more units of property and a header.
4. Piping, run of any class, 2 inches or over in size, between two or more units of property.
5. Separator or purifier, steam.
6. Trap, high-pressure.
7. Valve, motor-operated, pressure-reducing, boiler nonreturn or other relatively costly valve.

NOTE.—Wherever appropriate, the "piping" costs of additions and retirements shall include all costs for pipes, valves, fittings, specials, covering, hangers, supports, etc., pertaining to the run or header in question.

M. PROCESS STEAM EQUIPMENT:

1. Purifier or separator.
2. Accumulator.
3. Automatic control for accumulator.

314. Other Power Equipment.**A. STEAM POWER EQUIPMENT:****a. Engine-driven generating installation:**

1. Drive or connection between engine and generator.
2. Engine.
3. Exciter, direct-connected or belt-driven.
4. Foundation, independent of structure.
5. Generator.
6. Governor control system.

314. Other Power Equipment—Continued.**A. STEAM POWER EQUIPMENT—Continued.****b. Turbo-generator installation:**

1. Equipment, starting and turning.
2. Exciter, direct-connected or belt-driven.
3. Foundation, independent of structure.
4. Generator.
5. Governor control system.
6. Remote control rheostat and field switch.
7. Turbine.

c. Condensing and cooling water system:

1. Air ejector apparatus for one condenser.
2. Condenser.
3. Condenser tube protective system (chemical, electric, electrolytic, etc.).
4. Cooling tower.
5. Fan.
6. Intake screen and mechanism.
7. Pump, circulating, condensate, vacuum, etc.
8. Spraying system.
9. Valve, atmospheric relief.

d. Central generator cooling system:

1. Air duct system.
2. Air washer.
3. Blower.
4. Cooler.

e. Central lubricating system:

1. Accumulator.
2. Cooler.
3. Purifier or filter.

f. Instrument and meters:

1. Panel section of a switch or instrument board.
2. Recording or indicating device.

g. Engine and turbine plant piping:

1. Header of any class of piping, such as each pressure or temperature class of live steam, each pressure class of exhaust steam, raw water, treated water, feed, stage, and condensate water, cooling water, gland piping, lubricating oil, insulating oil, gas, free exhaust piping, vent piping, drip and drain piping, condensing water, compressed air, hot or cold service water, oil and lubricating, etc.
2. Piping, branch run of any class, 2 inches or over in size, between one or more units of property and a header.
3. Piping, run of any class, 2 inches or over in size, between two or more units of property.
4. Separator or purifier, steam.
5. Trap, high-pressure.
6. Valve, motor-operated, pressure-reducing, or other relatively costly valve.

NOTE.—Wherever appropriate, the "piping" costs of additions and retirements shall include all costs for pipes, valves, fittings, specials, covering, hangers, supports, etc., pertaining to the run or header in question.

B. GAS AND OIL POWER EQUIPMENT:**a. Internal combustion engine:**

1. Air intake equipment for one engine.
2. Drive or connection between engine and generator.
3. Engine, with or without foundation.
4. Governor control system.
5. Heat exchanger.
6. Meters and instruments for one engine.
7. Muffler.
8. Stack.
9. Starting and turning equipment.

b. Central lubricating system:

1. Cooler.
2. Piping system, oil.
3. Purifier or filter.

314. Other Power Equipment—Continued.**B. GAS AND OIL POWER EQUIPMENT—Continued.**

- c. Central cooling water system:**
 - 1. Heat exchanger.
 - 2. Piping system, cooling water.
 - 3. Purification system, water.
 - 4. Spraying system.
 - 5. Tank, storage, surge, or hot-well.
 - 6. Tower, cooling.
- d. Central starting system:**
 - 1. Compressor.
 - 2. Piping system, starting.
 - 3. Tank, storage or compressed air.
- e. Central intake air supply:**
 - 1. Air duct system.
 - 2. Air filter or screen.
 - 3. Blower.
 - 4. Silencer.
- f. Central exhaust gas system:**
 - 1. Heat exchanger (or waste heat boiler).
 - 2. Muffler.
 - 3. Piping system, exhaust.
 - 4. Stack.
- g. Fuel holders, producers, and accessories:**
 - 1. Boiler, heating.
 - 2. Heater, not a part of tank.
 - 3. Holder.
 - 4. Meter.
 - 5. Piping system.
 - 6. Piping system, fuel oil.
 - 7. Pump, compressor, booster.
 - 8. Purifier.
 - 9. Recording or indicating device.
 - 10. Regenerator.
 - 11. Scrubber or washer.
 - 12. Tank, including foundations, supports, and fire protection.
 - 13. Vaporizing unit for butane gas.

C. GENERATORS:

- 1. Exciter, direct-connected or belt-driven.
- 2. Generator.
- 3. Panel section of a switch or instrument board.
- 4. Recording or indicating device.
- 5. Remote control rheostat and field switch.

D. ACCESSORY ELECTRIC EQUIPMENT:

- 1. Air duct system.
- 2. Auxiliary generator set.
- 3. Battery charging set.
- 4. Choke coils, set of.
- 5. Condenser, synchronous.
- 6. Control installation, system operator's.
- 7. Converter, synchronous or rotary.
- 8. Exciter, separately driven.
- 9. Fan or blower.
- 10. Foundation equipment.
- 11. Frequency changer.
- 12. Frequency control system.
- 13. Fuse equipment, set of high tension.
- 14. Generator voltage regulator system.
- 15. Induction regulator.
- 16. Lightning arrester.
- 17. Oil circuit breaker.
- 18. Panel or panels, devoted to a single purpose, with electric equipment accessory thereto.
- 19. Reactor or resistor.
- 20. Rectifier.
- 21. Static condensers, set or bank of.
- 22. Storage battery (station control).

314. Other Power Equipment—Continued.**D. ACCESSORY ELECTRIC EQUIPMENT—Continued.**

23. Switches, set of disconnecting.
24. Testing equipment, set of.
25. Transformer, not accessory to a panel.
26. Truck switch with wiring and instruments.
27. Wiring, power:
 - (a) Bus compartment, including integral cubicles for equipment.
 - (b) Bus—wires, cables, and insulators.
 - (c) Cable or conductor, each continuous circuit run.
 - (d) Circuit of generator leads to a bus including supports and protective barriers.
 - (e) Multiple conduit run between two or more units of property.
 - (f) Outgoing feeder or auxiliary power feeder including its individual conduit, supports, and barriers.

E. MISCELLANEOUS POWER PLANT EQUIPMENT:

1. Air compressor.
2. Air conditioning or ventilating system.
3. Barge, boat, or similar item of marine equipment.
4. Car, railway.
5. Communication system, station signal or call.
6. Compressed air system.
7. Crane, hoist or derrick.
8. Fire protection system.
9. Laboratory equipment, principal item, such as drying oven, calorimeter, etc.
10. Locomotive.
11. Oil reclaiming installation.
12. Pump (sump, drain).
13. Tool, principal item, such as forge, lathe, drill press, steam hammer, welding equipment, etc.
14. Vacuum cleaning system.
15. Exhaust heat exchanger.

NOTE.—If any of the units of property listed above are a part of a structure and includible in Account 312, Structures and Improvements, they shall be accounted for through that account.

315. Benches and Retorts.

1. Bench, including retorts, recuperators, and furnace.
2. Charging machine.
3. Coal bunker or bin.
4. Coal dryer.
5. Coal grinder or breaker.
6. Decanter.
7. Discharging machine.
8. Economizer.
9. Hot coke conveyor.
10. Hydraulic main for one bench.
11. Lorry.
12. Magnetic separator.
13. Primary atmospheric condenser.
14. Quenching apparatus.
15. Screen.
16. Scrubber standpipe.
17. Stack or chimney.
18. Waste heat boiler.
19. Well.
20. Wharf.

316. Coke Ovens.

1. Charging lorry.
2. Clay mixer.
3. Coal bunker or bin.
4. Coal dryer.
5. Coke oven.
6. Conveyor.
7. Door extractor.
8. Hydraulic main for one oven.

316. Coke Ovens—Continued.

9. Pusher.
10. Quenching car.
11. Quenching tower.
12. Regenerator.
13. Reversing damper installation.
14. Waste heat boiler.
15. Wharf.

317. Producer Gas Equipment.

1. Blower.
2. Bunker or bin.
3. Condenser or cooler.
4. Conveyor.
5. Driving apparatus or linkage for one producer.
6. Producer.
7. Producer gas holder.
8. Scrubber.
9. Separator.
10. Waste heat boiler.

318. Water Gas Generating Equipment.

1. Automatic charger.
2. Automatic control.
3. Backrun valve.
4. Blower.
5. Bunker or bin.
6. Carburetor.
7. Dust collector.
8. Gauge board.
9. Generator.
10. Hoist or elevator.
11. Oil heater.
12. Scales.
13. Seal pot.
14. Superheater.
15. Waste heat boiler.

319. Petroleum Gas Equipment.

1. Bottling apparatus installation.
2. Compressor.
3. Heater.
4. Heat exchanger.
5. Mixing valve.
6. Vaporizer.

320. Other Gas Generating Equipment.

(Insofar as applicable use units shown in other accounts.)

1. Lamp black remover.
2. Oil burner.
3. Refractory screen.

321. Coal, Coke, and Ash Handling Equipment.**A. DOCK EQUIPMENT:**

1. Bridge.
2. Capstan.
3. Conveyor.
4. Crane.
5. Elevator.
6. Unloading device.
7. Loading tower.

B. LOADING AND GRADING EQUIPMENT:

1. Bin.
2. Bin unloader.
3. Chute.
4. Complete screen.
5. Crusher.
6. Grizzly.

321. Coal, Coke, and Ash Handling Equipment—Continued.**B. LOADING AND GRADING EQUIPMENT—Continued.**

7. Scale.
8. Skip hoist.
9. Magnetic separator.

C. YARD EQUIPMENT:

1. Bridge.
2. Car.
3. Car puller.
4. Conveyor.
5. Conveyor structure or any section thereof in excess of 50 feet.
6. Hoist.
7. Locomotive.
8. Platform scale.
9. Scale.
10. Track hopper.
11. Track scales.
12. Trestle or any section thereof in excess of 50 feet.

322. Gas Reforming Equipment.

(Use units for Account 318, Water Gas Generating Equipment, where applicable.)

323. Purification Equipment.

1. Absorber.
2. Actifyer.
3. Blower.
4. Compressor.
5. Condenser.
6. Cooling coil.
7. Decanter.
8. Filter.
9. Oxide conditioner.
10. Tar extractor.
11. Purifying box.
12. Purifying box cover.
13. Precipitator.
14. Rectifier for precipitator.
15. Scrubber.
16. Spray pond.
17. Stack.
18. Thionizer.
19. Transformer.
20. Wash box.
21. Washer cooler.
22. Well.

324. Residual Refining Equipment.**A. AMMONIA RECOVERY APPARATUS:**

1. Absorber.
2. Condenser.
3. Decanter.
4. Drier.
5. Extractor.
6. Fixed still.
7. Free still.
8. Heat exchanger.
9. Lime leg.
10. Lime mixer.
11. Sludge tank.
12. Storage tank.
13. Well.

B. OTHER REFINING EQUIPMENT:

(Follow same scheme as in other accounts with one piece of apparatus constituting a unit.)

C. PHENOL RECOVERY APPARATUS:

(Follow same scheme as in other accounts with one piece of apparatus constituting a unit.)

324. Residual Refining Equipment—Continued.**D. SULPHUR RECOVERY APPARATUS:**

1. Autoclave.
2. Bin.
3. Filter.
4. Scale.
5. Washer.

E. TAR REFINING APPARATUS:

1. Centrifuge.
2. Condenser.
3. Cooler.
4. Dehydrator.
5. Heater.
6. Still pot.
7. Well.

325. Other Production Equipment.

1. Calorimeter.
2. Control installation.
3. Exhauster.
4. Gas mixing chamber.
5. Odorizing unit.
6. Oil fogger.
7. Station meter.
8. Office furniture and equipment.
(See account 372 for units.)

B. NATURAL GAS PRODUCTION PLANT**331.1 Gas Well Structures.**

(Use units for account 312.)

331.2 Field Measuring and Regulating Station Structures.

(Use units for account 312.)

331.3 Other Production System Structures.

(Use units for account 312.)

332.1 Producing Gas Wells—Well Construction.

1. Well.

332.2 Producing Gas Wells—Well Equipment.

1. Casing head valve.
2. Casing string.
3. Derrick.
4. Pump.

333.1 Field Lines.

(Use units for Account 359, Mains, where applicable.)

333.2 Field Measuring and Regulating Station Equipment.

1. Boosters.
2. Driving units.
3. Meters.
4. Pressure gauges.
5. Pressure regulators.
6. Pumps.

334. Drilling and Cleaning Equipment

1. Bailer.
2. Boiler.
3. Derrick.
4. Drilling cable.
5. Drilling shaft.
6. Drilling machine.
7. Engine.
8. Motor.
9. Pulling machine.
10. Rig.

335. Purification Equipment.

1. Absorber.
 2. Actifyer.
 3. Blower.
 4. Compressor.
 5. Condenser.
 6. Controller.
 7. Cooling coil.
 8. Decanter.
 9. Filter.
 10. Heat exchanger.
 11. Precipitator.
 12. Recording thermometer.
 13. Rectifier for precipitator.
 14. Scrubber.
 15. Spray pond.
 16. Stack.
 17. Still.
 18. Transformer.
 19. Wash box.
 20. Washer cooler.
- (For other units see accounts 313 and 314.)

336. Residual Refining Equipment.**A. GASOLINE REFINING APPARATUS:**

1. Absorber.
 2. Blower.
 3. Boiler.
 4. Compressor.
 5. Condenser.
 6. Controller.
 7. Cooling tower.
 8. Cooling coil.
 9. Engine.
 10. Heat exchanger.
 11. Motor.
 12. Scrubber.
 13. Separator.
 14. Spray tank.
 15. Stack.
 16. Still.
 17. Tank.
- (For other units see accounts 313 and 314.)

B. LIGHT OIL REFINING APPARATUS:

1. Condenser.
2. Decanter.
3. Dephlegmator.
4. Fractionating column.
5. Heat exchanger.
6. Mixer.
7. Sludge burner.
8. Still pot.

C. OTHER REFINING EQUIPMENT:

(Follow same scheme as in other accounts with one piece of apparatus constituting a unit.)

337. Other Production Equipment.

(Use units for account 325, where applicable.)

III. STORAGE PLANT**342. Structures and Improvements.**

(Use units for account 312.)

1. Holder crown.
2. Holder crown support.
3. Holder cup.
4. Holder guide frame.

342. Storage Structures and Improvements—Continued.

5. Holder lift.
6. Holder piston.
7. Holder tank.
8. Pressure tank.
9. Walk.
10. Elevator.

IV. TRANSMISSION PLANT**352. Structures and Improvements.**

(Use units for account 312.)

353. Mains.

(Use units for Account 359, Distribution Mains.)

354. Pumping and Regulating Equipment.

(Use units for Account 360, Distribution Pumping and Regulating Equipment, and Account 368, Other Distribution System Equipment, as appropriate.)

V. DISTRIBUTION PLANT**358. Structures and Improvements.**

(Use units for account 312.)

359. Mains.

1. Pipe, two or more continuous standard lengths of pipe including fittings.
2. District governor.
3. Dust catcher.
4. Oil fogger.
5. Railroad crossing, special structure for.
6. Resaturator.
7. Sectionalizing valve.
8. Tunnel.
9. Tunnel shaft.
10. Vault or manhole.

NOTE.—“Mains” shall include pipe, fittings, specials, drips, joints, and blocking.

360. Pumping and Regulating Equipment.

1. After cooler.
2. Booster.
3. Compressor.
4. District meter.
5. Governor.
6. Separator.
7. Vault or manhole.

361. Services.

1. Main to curb line (stub).
2. Curb line to building (extension).

362. Meters.

1. Meter.

363. Meter Installations.

1. Meter installation.

364. House Regulators.

1. House regulator.

365. House Regulator Installations.

1. House regulator installation.

366. Other Property on Customers' Premises.

(Follow same scheme as in other accounts with one piece of apparatus constituting a unit.)

367. Street Lighting Equipment.

1. Lamp.
2. Lamp standard.
3. Regulator.

368. Other Distribution System Equipment.

1. Office furniture and equipment.
(See account 372 for units.)

VI. GENERAL PLANT**371. Structures and Improvements.**

(Use units for account 312.)

372. Office Furniture and Equipment.

Each principal item of equipment such as:

1. Adding or calculating machine (including coin counters).
2. Bookcase (complete).
3. Blue-print machine.
4. Cabinet.
5. Chair.
6. Desk.
7. Dictating machine (recording or reproducing).
8. Duplicating machine (including letterpress).
9. Photostat machine.
10. Safe.
11. Sofa or lounge.
12. Table.
13. Typewriter.
14. Wardrobe.

373. Transportation Equipment.

Each principal item of equipment such as:

1. Air compressor.
2. Gasoline or oil pump.
3. Gasoline or oil storage tank.
4. Horse, mule, or ox.
5. Motor.
6. Power-driven greasing machine.
7. Tractor.
8. Vehicle.

374. Stores Equipment.

Each principal item of equipment such as:

1. Crane, hoist or chainfall.
2. Motor.
3. Portable, elevating, and stacking equipment.
4. Shelving or bins, section of.
5. Truck.

375. Shop Equipment.

Each principal item of equipment such as:

1. Air compressor.
2. Boiler.
3. Crane, hoist or chainfall.
4. Drilling machine.
5. Drill press.
6. Electric welding machine.
7. Engine.
8. Forge.
9. Furnace.
10. Lathe.
11. Motor.
12. Planer.
13. Shaper.

376. Laboratory Equipment.

Each principal item of equipment such as:

1. Centrifuge.
2. Drying oven.
3. Calorimeter.
4. Test meter.

377. Tools and Work Equipment.

Each principal item of equipment such as:

1. Air compressor.
2. Boiler.
3. Cable pulling power equipment.
4. Concrete mixer.
5. Derrick, crane, hoist or chainfall.
6. Engine.
7. Forge.
8. Furnace.
9. Motor.
10. Pile driving machine.
11. Pipe threading and cutting machine.
12. Portable crane.
13. Portable conveyor.
14. Pump.
15. Trenching machine.
16. Backfilling machine.

378. Communication Equipment.

Each principal item of equipment such as:

1. Carrier current coupling capacitor.
2. Carrier current transmitting and receiving set.
3. Intercommunicating telephone system.
4. Radio receiver.
5. Radio transmitter.
6. Storage battery installation.

NOTE.—Units of conductors, supports, and duct lines shall be identical with those prescribed for accounts 344, 345, 346, 347, 348, 354, 355, 356, and 357, for the Uniform System of Accounts Prescribed for Public Utilities and Licensees.

379. Miscellaneous Equipment.

Each principal item of equipment such as:

1. Billiard table.
2. Bowling alley.
3. Radio.
4. Soda fountain.

FEDERAL POWER COMMISSION

UNIFORM SYSTEM OF ACCOUNTS
PRESCRIBED FOR
NATURAL GAS COMPANIES

APPENDIX II

APPLICATION OF UNIFORM SYSTEM OF ACCOUNTS TO
CLASS C AND CLASS D NATURAL GAS COMPANIES

EFFECTIVE JANUARY 1, 1940
WITH AMENDMENTS
EFFECTIVE JANUARY 1, 1951

FEDERAL POWER COMMISSION

Uniform System of Accounts for Natural Gas Companies

APPENDIX II

Application of Uniform System of Accounts to Class C and Class D Natural Gas Companies

This appendix is designed to show the accounts required to be kept by Class C and Class D natural gas companies. The accounts required to be kept by each class of natural gas companies are shown in comparative form in order clearly to designate and identify the accounts required to be kept by the Class C and Class D natural gas companies. Class C and Class D natural gas companies are defined as follows:

CLASS C. Natural gas companies having annual gas operating revenues of more than \$100,000 but not more than \$250,000.

CLASS D. Natural gas companies having annual gas operating revenues of more than \$25,000 but not more than \$100,000.

Each Class C natural gas company shall keep all of the accounts listed in this appendix, insofar as applicable, that contain, as a part of the title, the four digit numbers beginning with the figure 1 (for example, Account 1100, Gas Plant).

Each Class D natural gas company shall keep all of the accounts listed in this appendix, insofar as applicable, that contain, as a part of the title, the four digit numbers beginning with the figure 2 (for example, Account 2100, Gas Plant).

Any Class C or Class D natural gas company may at its option keep the accounts prescribed for Class A or Class B natural gas companies, or any Class D natural gas company may keep the accounts prescribed for Class C natural gas companies.

The Uniform System of Accounts is applicable *in principle* to all natural gas companies subject to the Commission's accounting requirements under the Natural Gas Act. Many of the accounts that are required to be kept by Class A and Class B natural gas companies, however, have been grouped or combined in order that the accounting system prescribed for the smaller Class C and Class D natural gas companies may conform more nearly to the nature and volume of their transactions. The definitions and all instructions contained in the main body of the Uniform System of Accounts apply in principle to Class C and Class D natural gas companies. References in said definitions and instructions to accounts which have been combined herein shall apply in principle to the combined account. The texts and lists of items appearing under the accounts prescribed for Class A and Class B natural gas companies shall apply in detail to the accounts prescribed herein for Class C and Class D natural gas companies.

BALANCE SHEET ACCOUNTS—FOR NATURAL GAS COMPANIES

D Nos.	C Nos.	Accounts for class C and class D natural gas companies	A and B Nos.	Accounts for class A and class B natural gas companies
		ASSETS AND OTHER DEBITS		ASSETS AND OTHER DEBITS
		I. UTILITY PLANT		I. UTILITY PLANT
2100.	1100.	Gas plant.....	100.	Gas plant.
2100. 1	1100. 1	Gas plant in service, leased to others, and held for future use.		100.1 Gas plant in service.
				100.2 Gas plant leased to others.
2100. 3	1100. 3	Construction work in progress.		100.4 Gas plant held for future use.
2100. 5	1100. 5	Gas plant acquisition adjustments.		100.3 Construction work in progress.
2100. 6	1100. 6	Gas plant in process of reclassification.		100.5 Gas plant acquisition adjustments.
2107.	1107.	Gas plant adjustments.....	107.	100.6 Gas plant in process of reclassification.
2108.	1108.	Other utility plant.....	108.	Gas plant adjustments.
				Other utility plant.
		II. INVESTMENT AND FUND ACCOUNTS		II. INVESTMENT AND FUND ACCOUNTS
2110.	1110.	Other physical property.....	110.	Other physical property.
			111.	Investments in associated companies.
				111.1 Investments in securities of associated companies.
2114.	1114.	Miscellaneous investments and special funds.		111.2 Advances to associated companies.
			112.	Other investments.
			113.	Sinking funds.
			114.	Miscellaneous special funds.
				114.1 Depreciation fund.
				114.2 Other special funds.
		III. CURRENT AND ACCRUED ASSETS		III. CURRENT AND ACCRUED ASSETS
			120.	Cash.
			121.	Special deposits.
2120.	1120.	Cash and working funds.....		121.1 Interest special deposits.
				121.2 Dividend special deposits.
				121.3 Miscellaneous special deposits.
2123.	1123.	Temporary cash investments.....	122.	Working funds.
2124.	1124.	Notes and accounts receivable.....	123.	Temporary cash investments.
			124.	Notes receivable.
			125.	Accounts receivable.
				125.1 Accounts receivable—customers.
				125.2 Other accounts receivable.
2126.	1126.	Receivables from associated companies.	126.	Receivables from associated companies.
				126.1 Notes receivable from associated companies.
				126.2 Accounts receivable from associated companies.
2131.	1131.	Materials and supplies.....	131.	Materials and supplies.
				131.1 Materials and supplies—gas.
				131.2 Materials and supplies—other.
2132.	1132.	Prepayments.....	132.	Prepayments.
			127.	Subscriptions to capital stock.
2133.	1133.	Miscellaneous current and accrued assets.	128.	Interest and dividends receivable.
			129.	Rents receivable.
			130.	Accrued utility revenues.
2134.	1134.	Gas Stored Underground.....	133.	Other current and accrued assets.
			134.	Gas Stored Underground.
		IV. DEFERRED DEBITS		IV. DEFERRED DEBITS
2140.	1140.	Unamortized debt discount and expense.	140.	Unamortized debt discount and expense.
2141.	1141.	Extraordinary property losses.....	141.	Extraordinary property losses.
			142. 1	Preliminary natural gas survey and investigation charges.
			142. 2	Other preliminary survey and investigation charges.
2146.	1146.	Miscellaneous deferred debits.....	143.	Clearing accounts.
			144.	Retirement work in progress.
			145.	Other work in progress.
			146.	Other deferred debits.
		V. CAPITAL STOCK DISCOUNT AND EXPENSE		V. CAPITAL STOCK DISCOUNT AND EXPENSE
2150.	1150.	Discount on capital stock.....	150.	Discount on capital stock.
2151.	1151.	Capital stock expense.....	151.	Capital stock expense.
		VI. REACQUIRED SECURITIES		VI. REACQUIRED SECURITIES
2152.	1152.	Reacquired securities.....	152.	Reacquired capital stock.
			153.	Reacquired long-term debt.

BALANCE SHEET ACCOUNTS—FOR NATURAL GAS COMPANIES—
Continued

D Nos.	C Nos.	Accounts for class C and class D natural gas companies	A and B Nos.	Accounts for class A and class B natural gas companies
		LIABILITIES AND OTHER CREDITS		LIABILITIES AND OTHER CREDITS
		VII. CAPITAL STOCK		VII. CAPITAL STOCK
2200.	1200.	Common capital stock	200.	Common capital stock.
2201.	1201.	Preferred capital stock	201.	Preferred capital stock.
2202.	1202.	Stock liability for conversion	202.	Stock liability for conversion.
2203.	1203.	Premiums and assessments on capital stock	203.	Premiums and assessments on capital stock.
2204.	1204.	Capital stock subscribed	204.	Capital stock subscribed.
2205.	1205.	Installments received on capital stock	205.	Installments received on capital stock.
		VIII. LONG-TERM DEBT		VIII. LONG-TERM DEBT
2210.	1210.	Bonds	210.	Bonds.
2211.	1211.	Receivers' certificates	211.	Receivers' certificates.
2212.	1212.	Advances from associated companies	212.	Advances from associated companies. 212.1 Advances on notes. 212.2 Advances on open accounts.
2213.	1213.	Miscellaneous long-term debt	213.	Miscellaneous long-term debt.
		IX. CURRENT AND ACCRUED LIABILITIES		IX. CURRENT AND ACCRUED LIABILITIES
2220.	1220.	Notes and accounts payable	220.	Notes payable.
2221.	1221.	Notes receivable discounted	221.	Accounts payable.
2223.	1223.	Payables to associated companies	223.	Notes receivable discounted. Payables to associated companies. 223.1 Notes payable to associated companies. 223.2 Accounts payable to associated companies.
2224.	1224.	Dividends declared	224.	Dividends declared.
2225.	1225.	Matured long-term debt	225.	Matured long-term debt.
2226.	1226.	Matured interest	226.	Matured interest.
2227.	1227.	Customers' deposits	227.	Customers' deposits.
2228.	1228.	Taxes accrued	228.	Taxes accrued.
2229.	1229.	Interest accrued	229.	Interest accrued. 229.1 Interest accrued on long-term debt. 229.2 Interest accrued on other liabilities.
2230.	1230.	Other current and accrued liabilities	230.	Other current and accrued liabilities.
		X. DEFERRED CREDITS		X. DEFERRED CREDITS
2240.	1240.	Unamortized premium on debt	240.	Unamortized premium on debt.
2241.	1241.	Customers' advances for construction	241.	Customers' advances for construction.
2242.	1242.	Other deferred credits	242.	Other deferred credits.
		XI. RESERVES		XI. RESERVES
			250.1	Reserve for depreciation of gas plant. 250.11 Reserve for depreciation of gas plant in service. 250.12 Reserve for depreciation of gas plant leased to others. 250.13 Reserve for depreciation of gas plant held for future use.
2250.	1250.	Reserve for depreciation and amortization of gas plant	250.2	Reserve for amortization and depletion of producing natural gas land and land rights. 250.21 Reserve for amortization and depletion of producing natural gas land and land rights—gas plant in service. 250.22 Reserve for amortization and depletion of producing natural gas land and land rights—gas plant leased to others.
			250.3	Reserve for abandoned leases.

BALANCE SHEET ACCOUNTS—FOR NATURAL GAS COMPANIES—
Continued

D Nos.	C Nos.	Accounts for class C and class D natural gas companies	A and B Nos.	Accounts for class A and class B natural gas companies
		* LIABILITIES AND OTHER CREDITS— Continued		LIABILITIES AND OTHER CREDITS— Continued
		XI. RESERVES—continued		XI. RESERVES—continued
2251.	1151.	Reserve for amortization of other limited-term gas investments.	251.	Reserve for amortization of other limited-term gas investments. 251.1 Reserve for amortization of other limited-term gas investments—gas plant in service. 251.2 Reserve for amortization of other limited-term gas investments—gas plant leased to others. 251.3 Reserve for amortization of other limited-term gas investments—gas plant held for future use.
2252.	1252.	Reserve for amortization of gas plant acquisition adjustments.	252.	Reserve for amortization of gas plant acquisition adjustments.
2253.	1253.	Reserve for depreciation and amortization of other property.	253.	Reserve for depreciation and amortization of other property.
2254.	1254.	Reserve for uncollectible accounts.	254.	Reserve for uncollectible accounts. 254.1 Utility customers. 254.2 Merchandising, jobbing, and contract work. 254.3 Associated companies. 254.4 Officers and employees. 254.5 Other.
2258.	1258.	Miscellaneous reserves.....	255. 256. 257. 258.	Insurance reserve. Injuries and damages reserve. Employees' provident reserve. Other reserves.
		XII. CONTRIBUTIONS IN AID OF CONSTRUCTION		XII. CONTRIBUTIONS IN AID OF CONSTRUCTION
2265.	1265.	Contributions in aid of construction	265.	Contributions in aid of construction.
		XIII. SURPLUS		XIII. SURPLUS
2270.	1270.	Capital surplus.....	270.	Capital surplus.
2271.	1271.	Earned surplus.....	271.	Earned surplus.

GAS PLANT ACCOUNTS—FOR NATURAL GAS COMPANIES

Accounts for class D natural gas companies	Accounts for class C natural gas companies	Accounts for class A and class B natural gas companies
<p>I. INTANGIBLE PLANT</p> <p>2301. Intangible plant.....</p> <p>II. PRODUCTION PLANT</p> <p>A. MANUFACTURED GAS PRODUCTION PLANT</p> <p>2311. Land and land rights</p> <p>2312. Structures and improvements.....</p> <p>2313. Boiler plant and other power equipment.....</p> <p>2315. Benches and retorts.....</p> <p>2316. Coke ovens.....</p> <p>2317. Producer gas equipment.....</p> <p>2320. Other gas generating equipment.....</p> <p>2321. Coal, coke, and ash handling equipment.....</p> <p>2322. Gas reforming equipment.....</p> <p>2323. Purification equipment.....</p> <p>2326. Other production equipment.....</p> <p>B. NATURAL GAS PRODUCTION PLANT</p> <p>2330.1 Natural Gas Production and Gathering Plant</p> <p>2330.1 Natural gas producing lands, leaseholds, and rights.....</p> <p>2330.5 Other land and land rights.....</p> <p>2331. Production system structures.....</p> <p>2332. Producing gas wells.....</p> <p>2333 Field lines and equipment.....</p>	<p>I. INTANGIBLE PLANT</p> <p>1301. Organization.....</p> <p>1302. Franchises and consents.....</p> <p>1303. Miscellaneous intangible plant.....</p> <p>II. PRODUCTION PLANT</p> <p>A. MANUFACTURED GAS PRODUCTION PLANT</p> <p>1311. Land and land rights</p> <p>1312. Structures and improvements.....</p> <p>1313. Boiler plant equipment.....</p> <p>1314. Other power equipment.....</p> <p>1315. Benches and retorts.....</p> <p>1316. Coke ovens.....</p> <p>1317. Producer gas equipment.....</p> <p>1318. Water gas generating equipment.....</p> <p>1319. Liquefied petroleum gas equipment.....</p> <p>1320. Other gas generating equipment.....</p> <p>1321. Coal, coke, and ash handling equipment.....</p> <p>1322. Gas reforming equipment.....</p> <p>1323. Purification equipment.....</p> <p>1324. Residual refining equipment.....</p> <p>1325. Gas mixing equipment.....</p> <p>1326. Other production equipment.....</p> <p>B. NATURAL GAS PRODUCTION PLANT</p> <p>1330.1 Natural Gas Production and Gathering Plant</p> <p>1330.1 Natural gas producing lands and leaseholds.....</p> <p>1330.5 Natural gas rights.....</p> <p>1330.5 Other land and land rights.....</p> <p>1331. Production system structures.....</p> <p>1332. Producing gas wells.....</p> <p>1333.1 Field lines.....</p> <p>1333.2 Field compressor station equipment.....</p> <p>1333.3 Field measuring and regulating station equip.....</p> <p>1334. Drilling and cleaning equipment.....</p>	<p>I. INTANGIBLE PLANT</p> <p>301. Organization.....</p> <p>302. Franchises and consents.....</p> <p>303. Miscellaneous intangible plant.....</p> <p>II. PRODUCTION PLANT</p> <p>A. MANUFACTURED GAS PRODUCTION PLANT</p> <p>311. Land and land rights.....</p> <p>311.1 Land.....</p> <p>311.2 Land rights.....</p> <p>312. Structures and improvements.....</p> <p>313. Boiler plant equipment.....</p> <p>314. Other power equipment.....</p> <p>315. Benches and retorts.....</p> <p>316. Coke ovens.....</p> <p>317. Producer gas equipment.....</p> <p>318. Water gas generating equipment.....</p> <p>319. Liquefied petroleum gas equipment.....</p> <p>320. Other gas generating equipment.....</p> <p>321. Coal, coke, and ash handling equipment.....</p> <p>322. Gas reforming equipment.....</p> <p>323. Purification equipment.....</p> <p>324. Residual refining equipment.....</p> <p>325. Gas mixing equipment.....</p> <p>326. Other production equipment.....</p> <p>B. NATURAL GAS PRODUCTION PLANT</p> <p>330.1 Natural Gas Production and Gathering Plant</p> <p>330.1 Natural gas producing lands.....</p> <p>330.2 Natural gas producing leaseholds.....</p> <p>330.3 Natural gas rights.....</p> <p>330.4 Rights-of-way.....</p> <p>330.5 Other land and land rights.....</p> <p>331.1 Field structures.....</p> <p>331.2 Field compressor station structures.....</p> <p>331.3 Field measuring and regulating station structures.....</p> <p>331.4 Other production and gathering system structures.....</p> <p>332.1 Producing gas wells—well construction.....</p> <p>332.2 Producing gas wells—well equipment.....</p> <p>333.1 Field lines.....</p> <p>333.2 Field compressor station equipment.....</p> <p>333.3 Field measuring and regulating station equipment.....</p> <p>334. Drilling and cleaning equipment.....</p>

GAS PLANT ACCOUNTS—FOR NATURAL GAS COMPANIES—Continued

Accounts for class D natural gas companies	Accounts for class O natural gas companies	Accounts for class A and class B natural gas companies
II. PRODUCTION PLANT - Continued		
B 1. Natural Gas Production and Gathering Plant - Cont.		
2335 Purification equipment-----	1335 Purification equipment-----	335 Purification equipment-----
2336 Other production and gathering equipment-----	1336 Other production and gathering equipment-----	336 Other production and gathering equipment-----
B 2. Products Extraction Plant		
2337.1 Land and land rights-----	1337.1 Land and land rights-----	337.1 Land and land rights-----
2337.2 Structures and improvements-----	1337.2 Structures and improvements-----	337.2 Structures and improvements-----
2337.3 Products extraction and refining equipment-----	1337.3 Products extraction and refining equipment-----	337.3 Extraction and refining equipment-----
		337.4 Pipe lines-----
		337.5 Extracted products storage equipment-----
		337.6 Compressor equipment-----
		337.7 Gas measuring and regulating equipment-----
		337.8 Other equipment-----
III. STORAGE PLANT		
A. Underground Storage Plant		
2341 Land and land rights-----	1341 Land and land rights-----	341 Land and land rights-----
2342 Structures and improvements-----	1342 Structures and improvements-----	342 Structures and improvements-----
2343.1 Storage gas wells-----	1343.1 Storage gas wells-----	343.1 Underground storage measuring and regulating station structures
2343.2 Underground storage lines and equipment-----	1343.2 Underground storage pumping and regulating equipment-----	343.2 Underground storage well construction
		343.3 Underground storage well equipment
		343.4 Underground storage compressor station
		343.5 Underground storage measuring and regulating station equipment
		343.6 Underground storage purification equipment
		343.7 Other underground storage equipment
III. STORAGE PLANT		
A. Underground Storage Plant		
341 Land and land rights-----	341 Land and land rights-----	341.1 Underground storage land
		341.2 Underground storage leaseholds
		341.3 Underground storage rights
		341.4 Underground storage rights-of-way
		Structures and improvements
		342.1 Underground storage well structures
		342.2 Underground storage compressor station structures
		342.3 Underground storage measuring and regulating station structures
		342.4 Other underground storage structures
		343.1 Underground storage well construction
		343.2 Underground storage well equipment
		343.3 Underground storage compressor station
		343.4 equipment
		343.5 Underground storage measuring and regulating station equipment
		343.6 Underground storage purification equipment
		343.7 Other underground storage equipment

2344	Gas stored underground - noncurrent	1344	Gas stored underground - noncurrent	344	Gas stored underground - noncurrent
	B. Local Storage Plant		B. Local Storage Plant		B. Local Storage Plant
2345	Land and land rights	1345	Land and land rights	345	Land and land rights
2346	Structures and improvements	1346	Structures and improvements	346	Structures and improvements
2347	Gas holders	1347	Gas holders	347	Gas holders
2349	Other local gas storage equipment	1349	Other local gas storage equipment	348 349	Liquefaction and regasification equipment Other local gas storage equipment
	IV. TRANSMISSION PLANT		IV. TRANSMISSION PLANT		IV. TRANSMISSION PLANT
2351	Land and land rights	1351	Land and land rights	351	Land and land rights
2352	Structures and improvements	1352	Structures and improvements	352	Structures and improvements
2353	Mains	1353	Mains	353	Mains
2354	Pumping and regulating equipment	1354	Pumping and regulating equipment	354.1	Compressor station equipment
2355	Other transmission system equipment	1355	Other transmission system equipment	354.2 355	Measuring and regulating station equipment Other transmission system equipment
	V. DISTRIBUTION PLANT		V. DISTRIBUTION PLANT		V. DISTRIBUTION PLANT
2356.1	Land and land rights	1356.1	Land and land rights	356.1	Land and land rights
2356.2	Structures and improvements	1356.2	Structures and improvements	356.2	Structures and improvements
2356.3	Pumping and regulating station equipment	1356.3	Measuring and regulating station equipment	356.3	Measuring and regulating station equipment

GAS PLANT ACCOUNTS—FOR NATURAL GAS COMPANIES—Continued

Accounts for class D natural gas companies	Accounts for class O natural gas companies	Accounts for class A and class B natural gas companies
<p>V. DISTRIBUTION PLANT</p> <p>L. General Distribution System Plant</p>	<p>V. DISTRIBUTION PLANT</p> <p>R. General Distribution System Plant</p>	<p>V. DISTRIBUTION PLANT</p> <p>B. General Distribution System Plant</p>
2357. Land and land rights.....	1357. Land and land rights.....	357. Land and land rights. 357.1 Land. 357.2 Land rights.
2358. Structures and improvements.....	1358. Structures and improvements.....	358. Structures and improvements.
2359. Mains.....	1359. Mains.....	359. Mains.
2360. Pumping and regulating equipment.....	1360. Pumping and regulating equipment.....	350.1 Distribution system compressor station equipment 350.2 Distribution system measuring and regulating station equipment
2361. Services.....	1361. Services.....	361. Services. 362. Meters.
2362. Meters and regulators.....	1362. Meters and regulators.....	363. Meter installations. 364. House regulators.
2366. Other property on customers' premises.....	1366. Other property on customers' premises.....	365. House regulator installations.
2367. Street lighting equipment.....	1367. Street lighting equipment.....	366. Other property on customers' premises. 367. Street lighting equipment.
2368. Other distribution equipment.....	1368. Other distribution equipment.....	368. Other distribution system equipment.
<p>VI. GENERAL PLANT</p>	<p>VI. GENERAL PLANT</p>	<p>VI. GENERAL PLANT</p>
2370. Land and land rights.....	1370. Land and land rights.....	370. Land and land rights.
2371. Structures and improvements.....	1371. Structures and improvements.....	371. Structures and improvements.
2372. Office furniture and equipment.....	1372. Office furniture and equipment.....	372. Office furniture and equipment.
2373. General plant equipment.....	1373. Transportation equipment.....	373. Transportation equipment.
	1374. Stores equipment.....	374. Stores equipment.
	1375. Shop equipment.....	375. Shop equipment.
	1376. Laboratory equipment.....	376. Laboratory equipment.
	1377. Tools and work equipment.....	377. Tools and work equipment.
	1378. Communication equipment.....	378. Communication equipment.
2380. Other tangible property.....	1379. Miscellaneous equipment.....	379. Miscellaneous equipment.
2381. Gas plant purchased.....	1380. Other tangible property.....	380. Other tangible property.
2382. Gas plant sold.....	1382. Gas plant purchased.....	381. Gas plant purchased. 382. Gas plant sold.

EARNED SURPLUS ACCOUNT—FOR NATURAL GAS COMPANIES

D Nos.	C Nos.	A and B Nos.	Accounts for all natural gas companies
			CREDITS
2271. 2400. 2401.	1271. 1400. 1401.	271. 400. 401.	Earned surplus (at beginning of period). Credit balance transferred from income account. Miscellaneous credits to surplus. Total credits.
			DEBITS
2410. 2411. 2412. 2413. 2414. 2271.	1410. 1411. 1412. 1413. 1414. 1271.	410. 411. 412. 413. 414. 271.	Debit balance transferred from income account. Dividend appropriations—preferred stock. Dividend appropriations—common stock. Miscellaneous reservations of surplus. Miscellaneous debits to surplus. Total debits. Earned surplus (at end of period).

INCOME ACCOUNTS—FOR NATURAL GAS COMPANIES

D Nos.	C Nos.	Accounts for class C and class D natural gas companies	A and B Nos.	Accounts for class A and class B natural gas companies
		I. UTILITY INCOME		I. UTILITY INCOME
2501.	1501.	Gas operating income:		Gas operating income:
		Operating revenues.....	501.	Operating revenues.
		Operating revenue deductions:		Operating revenue deductions:
2502.	1502.	Operating expenses.....	502.	Operating expenses.
2503. 1	1503. 1	Depreciation.....	503. 1	Depreciation.
2503. 2	1503. 2	Amortization and depletion of producing natural gas land and land rights.	503. 2	Amortization and depletion of producing natural gas land and land rights.
2504.	1504.	Amortization of other limited-term gas investments.	504.	Amortization of other limited-term gas investments.
2505.	1505.	Amortization of gas plant acquisition adjustments.	505.	Amortization of gas plant acquisition adjustments.
2506.	1506.	Property losses chargeable to operations.	506.	Property losses chargeable to operations.
2507.	1507.	Taxes.....	507.	Taxes.
		Total operating revenue deductions.		Total operating revenue deduc- tions.
		Net operating revenues.		Net operating revenues.
2508.	1508.	Income from gas plant leased to others.	508.	Income from gas plant leased to others.
2508. 1	1508. 1	Revenues from plant leased to others.	508. 1	Revenues from plant leased to others.
2508. 2	1508. 2	Expenses of plant leased to others.	508. 2	Expenses of plant leased to others.
		Income from gas plant leased to others.		Income from gas plant leased to others.
		Gas operating income.		Gas operating income.
2509.	1509.	Other utility operating income.....	509.	Other utility operating income.
		Utility income.		Utility income.
		II. OTHER INCOME		II. OTHER INCOME
2520.	1520.	Income from merchandising, job- bing, and contract work.	520.	Income from merchandising, jobbing, and contract work.
2520. 1	1520. 1	Revenues from merchandising, jobbing, and contract work.	520. 1	Revenues from merchandising, job- bing, and contract work.
2520. 2	1520. 2	Costs and expenses of merchandising, jobbing, and contract work.	520. 2	Costs and expenses of merchandising, jobbing, and contract work.

INCOME ACCOUNTS—FOR NATURAL GAS COMPANIES—Continued

D Nos.	C Nos.	Accounts for class C and class D natural gas companies	A and B Nos.	Accounts for class A and class B natural gas companies
		II. OTHER INCOME—continued		II. OTHER INCOME—continued
2521.	1521.	Income from nonutility operations.	521.	Income from nonutility operations.
2522.	1522.	Revenues from lease of other physical property.	522.	Revenues from lease of other physical property.
2523.	1523.	Dividend revenues.	523.	Dividend revenues.
2524.	1524.	Interest revenues.	524.	Interest revenues.
				524.1 Interest on securities owned.
				524.2 Other interest revenues.
2525.	1525.	Revenues from sinking and other funds.	525.	Revenues from sinking and other funds.
2526.	1526.	Miscellaneous nonoperating revenues.	526.	Miscellaneous nonoperating revenues.
2527.	1527.	Nonoperating revenue deductions.	527.	Nonoperating revenue deductions.
		Total other income.		Total other income.
		Gross income.		Gross income.
		III. INCOME DEDUCTIONS		III. INCOME DEDUCTIONS
2530.	1530.	Interest on long-term debt.	530.	Interest on long-term debt.
2531.	1531.	Amortization of debt discount and expense.	531.	Amortization of debt discount and expense.
2532.	1532.	Amortization of premium on debt—Cr.	532.	Amortization of premium on debt—Cr.
2533.	1533.	Taxes assumed on interest.	533.	Taxes assumed on interest.
2534.	1534.	Interest on debt to associated companies.	534.	Interest on debt to associated companies.
				534.1 Interest on advances from associated companies.
				534.2 Interest on other debt to associated companies.
2535.	1535.	Other interest charges.	535.	Other interest charges.
2536.	1536.	Interest charged to construction—Cr.	536.	Interest charged to construction—Cr.
2537.	1537.	Miscellaneous amortization.	537.	Miscellaneous amortization.
2538.	1538.	Miscellaneous income deductions.	538.	Miscellaneous income deductions.
		Total income deductions.		Total income deductions.
		Net income.		Net income.
		IV. DISPOSITION OF NET INCOME		IV. DISPOSITION OF NET INCOME
2540.	1540.	Miscellaneous reservations of net income.	540.	Miscellaneous reservations of net income.
		Balance transferred to earned surplus.		Balance transferred to earned surplus.

OPERATING REVENUE ACCOUNTS—FOR NATURAL GAS COMPANIES

D Nos.	C Nos.	A and B Nos.	Accounts for natural gas companies
			I. GAS SERVICE REVENUES
2600.	1600.	600.	Residential sales.
2602.	1602.1	602.1	Commercial sales.
	1602.2	602.2	Industrial sales.
2603.	1603.	603.	Public street and highway lighting.
2604.	1604.	604.	Other sales to public authorities.
2605.	1605.	605.	Sales to other gas utilities.
2607.	1607.	607.	Interdepartmental sales.
2608.	1608.	608.	Other sales.
			II. OTHER GAS REVENUES
2610.	1610.	610.	Rent from gas property.
2611.	1611.	611.	Interdepartmental rents.
2612.	1612.	612.	Customers' forfeited discounts and penalties.
2614.	1614.	614.	Servicing of customers' installations.
2615.	1615.	615.	Revenue from transportation of gas of others.
2616.	1616.	616.	Sales of products extracted from natural gas
2617.	1617.	617.	Revenues from natural gas processed by others
2618.1	1618.1	618.1	Incidental gasoline sales
2618.2	1618.2	618.2	Incidental oil sales
2619.	1619.	619.	Miscellaneous gas revenues

OPERATING EXPENSE ACCOUNTS—FOR NATURAL GAS COMPANIES

Accounts for class D natural gas companies	Accounts for class C natural gas companies	Accounts for class B natural gas companies	Accounts for class A natural gas companies
<p>I. PRODUCTION EXPENSES</p> <p>A. MANUFACTURED GAS PRODUCTION</p> <p>Operation</p>	<p>I. PRODUCTION EXPENSES</p> <p>A. MANUFACTURED GAS PRODUCTION</p> <p>Operation</p>	<p>I. PRODUCTION EXPENSES</p> <p>A. MANUFACTURED GAS PRODUCTION</p> <p>Operation</p>	<p>I. PRODUCTION EXPENSES</p> <p>A. MANUFACTURED GAS PRODUCTION</p> <p>Operation</p>
<p>2701. Operation supervision and labor.</p>	<p>1701. Operation supervision and engineering.</p> <p>1702. Operation labor.</p>	<p>701. Operation supervision and engineering.</p> <p>702. Boiler and other power labor.</p> <p>703.1 Retort labor.</p> <p>703.2 Coke oven labor.</p> <p>703.3 Producer gas labor.</p> <p>704.1 Water gas generating labor.</p> <p>704.2 Liquefied petroleum gas regasifying labor.</p> <p>704.3 Other gas generating labor.</p> <p>704.4 Purification labor.</p> <p>705. Gas mixing labor.</p> <p>706. Miscellaneous production labor.</p> <p>708. Boiler fuel.</p> <p>709. Water.</p> <p>710. Fuel under retorts.</p> <p>711. Fuel under coke ovens.</p> <p>712. Producer gas fuel.</p> <p>713. Fuel for liquefied petroleum gas processes.</p> <p>714.1 Coal carbonized in retorts.</p> <p>714.2 Coal carbonized in coke ovens.</p> <p>715. Water gas generator fuel.</p> <p>716. Oil for water gas.</p> <p>717. Gas enricher.</p> <p>718. Liquefied petroleum gas.</p> <p>719. Oil for oil gas.</p> <p>720. Raw materials for other gas processes.</p> <p>721. Purification supplies.</p> <p>722. Miscellaneous works expenses.</p>	<p>701. Operation supervision and engineering.</p> <p>702. Boiler and other power labor.</p> <p>703.1 Retort labor.</p> <p>703.2 Coke oven labor.</p> <p>703.3 Producer gas labor.</p> <p>704.1 Water gas generating labor.</p> <p>704.2 Liquefied petroleum gas regasifying labor.</p> <p>704.3 Other gas generating labor.</p> <p>704.4 Purification labor.</p> <p>705. Gas mixing labor.</p> <p>706. Miscellaneous production labor.</p> <p>708. Boiler fuel.</p> <p>709. Water.</p> <p>710. Fuel under retorts.</p> <p>711. Fuel under coke ovens.</p> <p>712. Producer gas fuel.</p> <p>713. Fuel for liquefied petroleum gas processes.</p> <p>714.1 Coal carbonized in retorts.</p> <p>714.2 Coal carbonized in coke ovens.</p> <p>715. Water gas generator fuel.</p> <p>716. Oil for water gas.</p> <p>717. Gas enricher.</p> <p>718. Liquefied petroleum gas.</p> <p>719. Oil for oil gas.</p> <p>720. Raw materials for other gas processes.</p> <p>721. Purification supplies.</p> <p>722. Miscellaneous works expenses.</p>
<p>2708. Boiler fuel.</p> <p>2709. Water.</p> <p>2710. Coal gas fuel.</p> <p>2713. Fuel for liquefied petroleum gas processes.</p> <p>2714. Coal carbonized.</p> <p>2715. Water gas generator fuel.</p> <p>2717. Oil and enricher materials.</p> <p>2720. Raw materials for other gas processes.</p> <p>2722. Other production supplies and expenses.</p>	<p>1708. Boiler fuel.</p> <p>1709. Water.</p> <p>1710. Fuel under retorts.</p> <p>1711. Fuel under coke ovens.</p> <p>1712. Producer gas fuel.</p> <p>1713. Fuel for liquefied petroleum gas processes.</p> <p>1714.1 Coal carbonized in retorts.</p> <p>1714.2 Coal carbonized in coke ovens.</p> <p>1715. Water gas generator fuel.</p> <p>1716. Oil for water gas.</p> <p>1717. Gas enricher.</p> <p>1718. Liquefied petroleum gas.</p> <p>1719. Oil for oil gas.</p> <p>1720. Raw materials for other gas processes.</p> <p>1721. Purification supplies.</p> <p>1722. Miscellaneous works expenses.</p>	<p>705. Purification labor.</p> <p>706. Gas mixing labor.</p> <p>707. Miscellaneous production labor.</p> <p>708. Boiler fuel.</p> <p>709. Water.</p> <p>710. Fuel under retorts.</p> <p>711. Fuel under coke ovens.</p> <p>712. Producer gas fuel.</p> <p>713. Fuel for liquefied petroleum gas processes.</p> <p>714.1 Coal carbonized in retorts.</p> <p>714.2 Coal carbonized in coke ovens.</p> <p>715. Water gas generator fuel.</p> <p>716. Oil for water gas.</p> <p>717. Gas enricher.</p> <p>718. Liquefied petroleum gas.</p> <p>719. Oil for oil gas.</p> <p>720. Raw materials for other gas processes.</p> <p>721. Purification supplies.</p> <p>722. Miscellaneous works expenses.</p>	<p>701. Operation supervision and engineering.</p> <p>702. Boiler and other power labor.</p> <p>703.1 Retort labor.</p> <p>703.2 Coke oven labor.</p> <p>703.3 Producer gas labor.</p> <p>704.1 Water gas generating labor.</p> <p>704.2 Liquefied petroleum gas regasifying labor.</p> <p>704.3 Other gas generating labor.</p> <p>704.4 Purification labor.</p> <p>705. Gas mixing labor.</p> <p>706. Miscellaneous production labor.</p> <p>708. Boiler fuel.</p> <p>709. Water.</p> <p>710. Fuel under retorts.</p> <p>711. Fuel under coke ovens.</p> <p>712. Producer gas fuel.</p> <p>713. Fuel for liquefied petroleum gas processes.</p> <p>714.1 Coal carbonized in retorts.</p> <p>714.2 Coal carbonized in coke ovens.</p> <p>715. Water gas generator fuel.</p> <p>716. Oil for water gas.</p> <p>717. Gas enricher.</p> <p>718. Liquefied petroleum gas.</p> <p>719. Oil for oil gas.</p> <p>720. Raw materials for other gas processes.</p> <p>721. Purification supplies.</p> <p>722. Miscellaneous works expenses.</p>

OPERATING EXPENSE ACCOUNTS—FOR NATURAL GAS COMPANIES—Continued

Accounts for class D natural gas companies	Accounts for class C natural gas companies	Accounts for class B natural gas companies	Accounts for class A natural gas companies
<p>I. PRODUCTION EXPENSES - Cont. A. Manufactured Gas Production Continued <i>Maintenance</i></p>	<p>I. PRODUCTION EXPENSES - Cont. A. Manufactured Gas Production Continued <i>Maintenance</i></p>	<p>I. PRODUCTION EXPENSES - Cont. A. Manufactured Gas Production Continued <i>Maintenance</i></p>	<p>I. PRODUCTION EXPENSES - Cont. A. Manufactured Gas Production Continued <i>Maintenance</i></p>
<p>2723. Maintenance of production plant.</p>	<p>1723. Maintenance supervision and engineering. 1724. Maintenance of structures and improvements.</p>	<p>723. Maintenance supervision and engineering. 724. Maintenance of structures and improvements. 725. Maintenance of power equipment</p>	<p>723. Maintenance supervision and engineering. 724. Maintenance of structures and improvements. 725.1 Maintenance of boiler plant equipment. 725.2 Maintenance of other power equipment. 726.1 Maintenance of benches and retorts. 726.2 Maintenance of coke ovens. 726.3 Maintenance of producer gas equipment. 726.4 Maintenance of water gas generating equipment. 726.5 Maintenance of liquefied petroleum gas equipment. 726.6 Maintenance of other gas generating equipment. 726.7 Maintenance of ash handling equipment. 727.1 Maintenance of gas reforming equipment. 727.2 Maintenance of purification equipment. 727.3 Maintenance of other gas equipment</p>
<p><i>Miscellaneous</i></p>	<p><i>Miscellaneous</i></p>	<p><i>Miscellaneous</i></p>	<p><i>Miscellaneous</i></p>
<p>2728. Power from other sources. 2729. Rents 2730.1 Residuals produced—Cr. 2730.2 Residuals expenses 2731.1 Joint expenses—Dr. 2731.2 Joint expenses—Cr.</p>	<p>1726. Power from other sources. 1729. Rents 1730.1 Residuals produced—Cr. 1730.2 Residuals expenses 1731.1 Joint expenses—Dr. 1731.2 Joint expenses—Cr.</p>	<p>728. Power from other sources. 729. Rents 730.1 Residuals produced—Cr. 730.2 Residuals operation expenses 730.3 Residuals maintenance expenses 731.1 Joint expenses—Dr. 731.2 Joint expenses—Cr.</p>	<p>728. Power from other sources. 729. Rents 730.1 Residuals produced—Cr. 730.2 Residuals operation expenses 730.3 Residuals maintenance expenses 731.1 Joint expenses—Dr. 731.2 Joint expenses—Cr.</p>

<p>B 1. Natural Gas Production and Gathering Operation 2733.1 Operation supervision and labor.</p>	<p>B 1. Natural Gas Production and Gathering Operation 1733.1 Operation supervision and engineering 1733.2 Operation labor</p>	<p>B 1. Natural Gas Production and Gathering Operation 723.1 Operation supervision and engineering 723.2 Operation labor</p>	<p>B 1. Natural Gas Production and Gathering Operation 733.1 Operation supervision and engineering 733.21 Gas well labor 733.22 Field line labor 733.23 Field compressor station labor 733.24 Field measuring and regulating station labor 733.25 Purification labor 733.26 Other production and gathering labor 733.31 Gas well supplies and expenses 733.32 Field line supplies and expenses 733.33 Field compressor station supplies and expenses 733.34 Field measuring and regulating station supplies and expenses 733.35 Purification supplies and expenses 733.36 Other operating supplies and expenses 733.4 Production maps and records</p>
<p>2733.3 Operating supplies and expenses</p>	<p>1733.3 Operating supplies and expenses</p>	<p>733.3 Operating supplies and expenses</p>	<p>733.34 Field measuring and regulating station supplies and expenses 733.35 Purification supplies and expenses 733.36 Other operating supplies and expenses 733.4 Production maps and records</p>
<p>Maintenance</p>	<p>Maintenance 1734.1 Maintenance supervision and engineering</p>	<p>Maintenance 724.1 Maintenance supervision and engineering</p>	<p>Maintenance 724.1 Maintenance supervision and engineering 724.21 Maintenance of gas well structures 724.22 Maintenance of field compressor station structures 724.23 Maintenance of field measuring and regulating station structures 724.24 Maintenance of other production and gathering system structures 724.3 Maintenance of producing gas well equipment 724.41 Maintenance of field lines 724.42 Maintenance of field compressor station equipment 724.43 Maintenance of field measuring and regulating station equipment 724.5 Maintenance of drilling and cleaning equipment 724.6 Maintenance of purification equipment 724.7 Maintenance of other production and gathering equipment</p>
<p>2734 Maintenance of production and gathering plant</p>	<p>1734.2 Maintenance of structures and improvements. 1734.4 Maintenance of wells, lines, and equipment</p>	<p>724.2 Maintenance of structures and improvements. 724.3 Maintenance of producing gas well equipment 724.4 Maintenance of field lines and equipment</p>	<p>724.21 Maintenance of gas well structures 724.22 Maintenance of field compressor station structures 724.23 Maintenance of field measuring and regulating station structures 724.24 Maintenance of other production and gathering system structures 724.3 Maintenance of producing gas well equipment 724.41 Maintenance of field lines 724.42 Maintenance of field compressor station equipment 724.43 Maintenance of field measuring and regulating station equipment 724.5 Maintenance of drilling and cleaning equipment 724.6 Maintenance of purification equipment 724.7 Maintenance of other production and gathering equipment</p>

OPERATING EXPENSE ACCOUNTS—FOR NATURAL GAS COMPANIES

Accounts for class D natural gas companies	Accounts for class C natural gas companies	Accounts for class B natural gas companies	Accounts for class A natural gas companies
B 1. Natural Gas Production and Gathering - Continued Miscellaneous 2735.1 Gas well royalties 2735.2 Natural gas rents 2735.3 Joint expenses - debit 2735.4 Joint expenses - credit B 2. Products Extraction Operation 2736.1 Operation supervision and labor 2736.3 Gas shrinkage and fuel 2736.6 Operating supplies and expenses Maintenance 2737.1 Maintenance of products extraction plant Miscellaneous 2738.1 Products purchased for resale 2738.2 Miscellaneous products extraction expenses 2738.7 Joint expenses - debit 2738.8 Joint expenses - credit B 3. Exploration and Development 2739.1 Delay rentals 2739.2 Nonproductive well drilling 2739.3 Abandoned leases 2739.4 Other exploration costs	B 1. Natural Gas Production and Gathering - Continued Miscellaneous 1735.1 Gas well royalties 1735.2 Natural gas rents 1735.3 Joint expenses - debit 1735.4 Joint expenses - credit B 2. Products Extraction Operation 1736.1 Operation superv. and enginr. 1736.2 Operation labor 1736.3 Gas shrinkage and fuel 1736.6 Operating supplies and expenses Maintenance 1737.1 Maintenance supervision and engineering 1737.2 Maintenance of products extraction plant Miscellaneous 1738.1 Products purchased for resale 1738.2 Miscellaneous products extraction expenses 1738.7 Joint expenses - debit 1738.8 Joint expenses - credit B 3. Exploration and Development 1739.1 Delay rentals 1739.2 Nonproductive well drilling 1739.3 Abandoned leases 1739.4 Other exploration costs	B 1. Natural Gas Production and Gathering - Continued Miscellaneous 735.1 Gas well royalties 735.2 Natural gas rents 735.3 Joint expenses - debit 735.4 Joint expenses - credit B 2. Products Extraction Operation 736.1 Operatn superv. and enginr. 736.2 Operation labor 736.3 Gas shrinkage 736.4 Fuel 736.5 Power 736.6 Production materials and supp. 736.7 Other supplies and expenses Maintenance 737.1 Maintenance supervision and engineering 737.2 Maintenance of structures and improvements 737.3 Maintenance of equipment Miscellaneous 738.1 Products purchased for resale 738.2 Variation in products inventory - Dr. or Cr. 738.3 Royalties on prod. extracted 738.4 Selling expenses 738.5 Rents 738.6 Extracted products used by utility - credit 738.7 Joint expenses - debit 738.8 Joint expenses - credit B 3. Exploration and Development 739.1 Delay rentals 739.2 Nonproductive well drilling 739.3 Abandoned leases 739.4 Other exploration costs	B 1. Natural Gas Production and Gathering - Continued Miscellaneous 735.1 Gas well royalties 735.2 Natural gas rents 735.3 Joint expenses - debit 735.4 Joint expenses - credit B 2. Products Extraction Operation 736.1 Operation supervision and engineering 736.2 Operation labor 736.3 Gas shrinkage 736.4 Fuel 736.5 Power 736.6 Production materials and supplies 736.7 Other supplies and expenses Maintenance 737.1 Maintenance supervision and engineering 737.2 Maintenance of structures and improvements 737.3 Maintenance of equipment Miscellaneous 738.1 Products purchased for resale 738.2 Variation in products inventory - Dr. or Cr. 738.3 Royalties on products extracted 738.4 Selling expenses 738.5 Rents 738.6 Extracted products used by utility - credit 738.7 Joint expenses - debit 738.8 Joint expenses - credit B 3. Exploration and Development 739.1 Delay rentals 739.2 Nonproductive well drilling 739.3 Abandoned leases 739.4 Other exploration costs

C. Other Gas Supply Expenses (changed from Other Prod. Expenses)	C. Other Gas Supply Expenses (changed from Other Prod. Expenses)	C. Other Gas Supply Expenses (changed from Other Prod. Expenses)	C. Other Gas Supply Expenses (changed from Other Production Expenses)
2745 Purchased gas	1745 Purchased gas	745 Purchased gas	745 Purchased gas
			745.1 Purchased gas - natural gas
			745.11 Field purchases
			745.12 Gasoline plant outlet purchases
			745.13 Pipe line purchases - transmission lines
			745.14 City gate purchases
			745.2 Purchased gas - other gas
2746 Purchased gas expenses	1746 Purchased gas expenses	746 Purchased gas expenses	746 Purchased gas expenses
			746.1 Wells expenses - pur-gas of purch. gas meas. sta.
			746.2 Operation and maintenance of purch. gas calcul. exp.
			746.3 Purch. gas calcul. exp.
			746.4 Other purch. gas expenses
2747.1 Gas withdrawn from underground storage - debit	1747.1 Gas withdrawn from underground storage - debit	747.1 Gas withdrawn from underground storage - debit	747.1 Gas withdrawn from underground storage - debit
2747.2 Gas delivered to underground storage - credit	1747.2 Gas delivered to underground storage - credit	747.2 Gas delivered to underground storage - credit	747.2 Gas delivered to underground storage - credit
2748 Gas used in utility oper. - cr.	1748 Gas used in utility oper. - cr.	748 Gas used in utility oper. - cr.	748 Gas used in utility operations - credit
			748.1 Gas used for transmission compressor fuel - credit
			748.2 Gas used in products extraction process - credit
			748.3 Gas for other utility uses - Cr.
2749 Other gas supply expenses	1749 Other gas supply expenses	749 Other gas supply expenses	749 Other gas supply expenses
2750 Joint expenses - debit	1750 Joint expenses - debit	750 Joint expenses - debit	750 Joint expenses - debit
2751 Joint expenses - credit	1751 Joint expenses - credit	751 Joint expenses - credit	751 Joint expenses - credit
			II. STORAGE EXPENSES
			A. Underground Storage
			Operation
2755 Operation supervision and labor	1755.1 Operation superv. and enginrg.	755.1 Operation superv. and enginrg.	755.1 Operation supervision and engineering
	1755.2 Operation la bor	755.2 Operation labor	755.21 Storage well labor
			755.22 Storage lines labor
			755.23 Storage compressor station la bor
			755.24 Storage measuring and regulating station labor
			755.25 Other storage labor

OPERATING EXPENSE ACCOUNTS—FOR NATURAL GAS COMPANIES—Continued

Accounts for class D natural gas companies	Accounts for class C natural gas companies	Accounts for class B natural gas companies	Accounts for class A natural gas companies
<p>A. Underground Storage - Contd. Operation - Contd.</p>	<p>A. Underground Storage - Contd. Operation - Contd.</p>	<p>A. Underground Storage - Contd. Operation - Contd.</p>	<p>A. Underground Storage - Contd. Operation - Contd.</p>
<p>2755.3 Operation supplies and expenses</p>	<p>1755.3 Operation supplies and expenses</p>	<p>755.3 Operation supplies and expenses</p>	<p>755.31 Storage well supplies and expenses 755.32 Storage lines supplies and expenses 755.33 Storage compressor station supplies and expenses 755.34 Storage measuring and regulating station supplies and expenses 755.35 Other storage operation supplies and expenses</p>
<p>2755.4 Nonoperative storage well drills, 2755.5 Storage maps and records.</p>	<p>1755.4 Nonoperative storage well drills, 1755.5 Storage maps and records.</p>	<p>755.4 Nonoperative storage well drills, 755.5 Storage maps and records.</p>	<p>755.4 Nonoperative storage well drilling 755.5 Storage maps and records</p>
<p>Maintenance</p>	<p>Maintenance</p>	<p>Maintenance</p>	<p>Maintenance</p>
<p>2756 Maintenance of underground storage plant</p>	<p>1756.1 Maintenance supervision and engineering 1756.2 Maintenance of structures and improvements</p>	<p>756.1 Maintenance supervision and engineering 756.2 Maintenance of structures and improvements</p>	<p>756.1 Maintenance supervision and engineering 756.21 Maintenance of storage well structures 756.22 Maintenance of storage compressor station structures 756.23 Maintenance of storage measuring and regulating structures 756.24 Maintenance of other storage structures 756.5 Maintenance of storage well equipment</p>
<p>Miscellaneous</p>	<p>1756.3 Maintenance of storage wells, lines, and equipment</p>	<p>756.3 Maintenance of storage well equipment 756.4 Maintenance of storage lines and equipment</p>	<p>756.41 Maintenance of storage lines 756.42 Maintenance of storage compressor station equipment 756.43 Maintenance of storage measuring and regulating equipment 756.44 Maintenance of other storage equipment</p>
<p>2757.1 Underground gas storage rents</p>	<p>1757.1 Underground gas storage rents</p>	<p>757.1 Underground gas storage rents</p>	<p>Miscellaneous 757.11 Storage well royalties 757.12 Storage lease rentals 757.13 Other storage rents</p>
<p>2757.2 Joint expenses - debit</p>	<p>1757.2 Joint expenses - debit</p>	<p>757.2 Joint expenses - debit</p>	<p>757.2 Joint expenses - debit</p>
<p>2757.3 Joint expenses - credit</p>	<p>1757.3 Joint expenses - credit</p>	<p>757.3 Joint expenses - credit</p>	<p>757.3 Joint expenses - credit</p>

<p>B. Local Storage Operation</p>	<p>2758.1 Operation superv. and labor----- 2758.2 Operation labor----- 2758.3 Operation supplies and expenses Maintenance</p>	<p>B. Local Storage Operation</p>	<p>758.1 Operation superv. and engrng----- 758.2 Operation labor----- 758.3 Operation supplies and expenses Maintenance</p>	<p>B. Local Storage Operation</p>	<p>758.1 Operation superv. and engrng----- 758.2 Operation labor----- 758.3 Operation supplies and expenses Maintenance</p>
<p>2758.4 Maintenance of local storage plant-----</p>	<p>1758.4 Maintenance superv. and engrng----- 1758.5 Maintenance of structures and improvements----- 1758.6 Maintenance of local storage equipment-----</p>	<p>758.4 Maintenance superv. and engrng----- 758.5 Maintenance of structures and improvements----- 758.6 Maintenance of gas holders----- 758.7 Maintenance of liquefaction and regasification equip----- 758.8 Maintenance of other local gas storage equipment</p>	<p>758.4 Maintenance superv. and engrng----- 758.5 Maintenance of structures and improvements----- 758.6 Maintenance of gas holders----- 758.7 Maintenance of liquefaction and regasification equip----- 758.8 Maintenance of other local gas storage equipment</p>	<p>Miscellaneous</p>	<p>Miscellaneous</p>
<p>2758.9 Local storage rents----- 2758.10 Joint expenses - debit----- 2758.11 Joint expenses - credit-----</p>	<p>1758.9 Local storage rents----- 1758.10 Joint expenses - debit----- 1758.11 Joint expenses - credit-----</p>	<p>758.9 Local storage rents----- 758.10 Joint expenses - debit----- 758.11 Joint expenses - credit-----</p>	<p>758.9 Local storage rents----- 758.10 Joint expenses - debit----- 758.11 Joint expenses - credit-----</p>	<p>III. TRANSMISSION</p>	<p>III. TRANSMISSION</p>
<p>2759 System operation-----</p>	<p>1759.1 Operation superv. and engrng----- 1759.2 System operation-----</p>	<p>759.1 Operation superv. and engrng----- 759.2 Operation labor----- 759.3 Operation supplies and expenses-----</p>	<p>759.1 Operation superv. and engrng----- 759.2 Operation labor----- 759.3 Operation supplies and expenses-----</p>	<p>Operation</p>	<p>Operation</p>
<p>2759.1 Operation superv. and engrng----- 2759.2 System operation-----</p>	<p>759.1 Operation superv. and engrng----- 759.2 System operation-----</p>	<p>759.1 Operation superv. and engrng----- 759.2 System operation-----</p>	<p>759.1 Operation superv. and engrng----- 759.2 System operation-----</p>	<p>Operation</p>	<p>Operation</p>
<p>2759.3 System operation-----</p>	<p>1759.3 System operation-----</p>	<p>759.3 System operation-----</p>	<p>759.3 System operation-----</p>	<p>Operation</p>	<p>Operation</p>
<p>2759.4 System operation-----</p>	<p>1759.4 System operation-----</p>	<p>759.4 System operation-----</p>	<p>759.4 System operation-----</p>	<p>Operation</p>	<p>Operation</p>
<p>2759.5 System operation-----</p>	<p>1759.5 System operation-----</p>	<p>759.5 System operation-----</p>	<p>759.5 System operation-----</p>	<p>Operation</p>	<p>Operation</p>
<p>2759.6 System operation-----</p>	<p>1759.6 System operation-----</p>	<p>759.6 System operation-----</p>	<p>759.6 System operation-----</p>	<p>Operation</p>	<p>Operation</p>
<p>2759.7 System operation-----</p>	<p>1759.7 System operation-----</p>	<p>759.7 System operation-----</p>	<p>759.7 System operation-----</p>	<p>Operation</p>	<p>Operation</p>
<p>2759.8 System operation-----</p>	<p>1759.8 System operation-----</p>	<p>759.8 System operation-----</p>	<p>759.8 System operation-----</p>	<p>Operation</p>	<p>Operation</p>
<p>2759.9 System operation-----</p>	<p>1759.9 System operation-----</p>	<p>759.9 System operation-----</p>	<p>759.9 System operation-----</p>	<p>Operation</p>	<p>Operation</p>
<p>2759.10 System operation-----</p>	<p>1759.10 System operation-----</p>	<p>759.10 System operation-----</p>	<p>759.10 System operation-----</p>	<p>Operation</p>	<p>Operation</p>
<p>2759.11 System operation-----</p>	<p>1759.11 System operation-----</p>	<p>759.11 System operation-----</p>	<p>759.11 System operation-----</p>	<p>Operation</p>	<p>Operation</p>
<p>2759.12 System operation-----</p>	<p>1759.12 System operation-----</p>	<p>759.12 System operation-----</p>	<p>759.12 System operation-----</p>	<p>Operation</p>	<p>Operation</p>
<p>2759.13 System operation-----</p>	<p>1759.13 System operation-----</p>	<p>759.13 System operation-----</p>	<p>759.13 System operation-----</p>	<p>Operation</p>	<p>Operation</p>
<p>2759.14 System operation-----</p>	<p>1759.14 System operation-----</p>	<p>759.14 System operation-----</p>	<p>759.14 System operation-----</p>	<p>Operation</p>	<p>Operation</p>
<p>2759.15 System operation-----</p>	<p>1759.15 System operation-----</p>	<p>759.15 System operation-----</p>	<p>759.15 System operation-----</p>	<p>Operation</p>	<p>Operation</p>
<p>2759.16 System operation-----</p>	<p>1759.16 System operation-----</p>	<p>759.16 System operation-----</p>	<p>759.16 System operation-----</p>	<p>Operation</p>	<p>Operation</p>

OPERATING EXPENSE ACCOUNTS FOR NATURAL GAS COMPANIES—Continued

Accounts for class D natural gas companies	Accounts for class C natural gas companies	Accounts for class B natural gas companies	Accounts for class A natural gas companies
<p>III. TRANSMISSION - Contd. Maintenance</p> <p>2760 System maintenance</p> <p>Miscellaneous</p> <p>2761.1 Rents 2761.2 Transmission and compression of gas by others 2761.3 Joint expenses - debit 2761.4 Joint expenses - credit</p> <p>IV. DISTRIBUTION</p> <p>A. City Gate and Main Line Industr. Measuring and Regulating Sta. Expenses</p> <p>Operation</p> <p>2764.1 Operation of city gate and main line industrial measuring and regulating stations</p> <p>Maintenance</p> <p>2764.4 Maintenance of city gate and main line industrial measuring and regulating stations</p>	<p>III. TRANSMISSION - Continued Maintenance</p> <p>760.1 Maintenance supervision and engineering 760.2 Maintenance of structures and improvements</p> <p>760.3 Maintenance of trans. mains 760.4 Maintenance of compressor station equipment 760.5 Maintenance of measuring and regulating station equipment 760.6 Maintenance of other transmission system equipment</p> <p>Miscellaneous</p> <p>761.1 Rents 761.2 Transmission and compression of gas by others 761.3 Joint expenses - debit 761.4 Joint expenses - credit</p> <p>IV. DISTRIBUTION</p> <p>A. City Gate and Main Line Industr. Measuring and Regulating Sta. Expenses</p> <p>Operation</p> <p>764.1 Operation of city gate and main line industrial measuring and regulating stations</p> <p>Maintenance</p> <p>764.4 Maintenance supervision and engineering 764.5 Maintenance of structures and improvements 764.6 Maintenance of measuring and regulating station equipment</p>	<p>III. TRANSMISSION - Continued Maintenance</p> <p>760.1 Maintenance supervision and engineering 760.2 Maintenance of compressor station structures 760.22 Maintenance of measuring and regulating station structures 760.23 Maintenance of other structures 760.3 Maintenance of transmission mains 760.4 Maintenance of compressor station equipment 760.5 Maintenance of measuring and regulating station equipment 760.6 Maintenance of other transmission system equipment</p> <p>Miscellaneous</p> <p>761.1 Rents 761.2 Transmission and compression of gas of others 761.3 Joint expenses - debit 761.4 Joint expenses - credit</p> <p>IV. DISTRIBUTION</p> <p>A. City Gate and Main Line Industrial Measuring and Regulating Station Expenses</p> <p>Operation</p> <p>764.1 Operation supervision and engineering 764.2 Operation labor 764.3 Operation supplies and expenses</p> <p>Maintenance</p> <p>764.4 Maintenance supervision and engineering 764.5 Maintenance of structures and improvements 764.6 Maintenance of measuring and regulating station equipment</p>	<p>III. TRANSMISSION - Continued Maintenance</p> <p>760.1 Maintenance supervision and engineering 760.21 Maintenance of compressor station structures 760.22 Maintenance of measuring and regulating station structures 760.23 Maintenance of other structures 760.4 Maintenance of compressor station equipment 760.5 Maintenance of measuring and regulating station equipment 760.6 Maintenance of other transmission system equipment</p> <p>Miscellaneous</p> <p>761.1 Rents 761.2 Transmission and compression of gas of others 761.3 Joint expenses - debit 761.4 Joint expenses - credit</p> <p>IV. DISTRIBUTION</p> <p>A. City Gate and Main Line Industrial Measuring and Regulating Station Expenses</p> <p>Operation</p> <p>764.1 Operation supervision and engineering 764.2 Operation labor 764.3 Operation supplies and expenses</p> <p>Maintenance</p> <p>764.4 Maintenance supervision and engineering 764.5 Maintenance of structures and improvements 764.6 Maintenance of measuring and regulating station equipment</p>

<p>Miscellaneous</p> <p>2764.7 Rents</p> <p>2764.8 Joint expenses - debit</p> <p>2764.9 Joint expenses - credit</p> <p>E. General Distribution Expenses</p>	<p>Miscellaneous</p> <p>764.7 Rents</p> <p>764.8 Joint expenses - debit</p> <p>764.9 Joint expenses - credit</p> <p>E. General Distribution Expenses</p>	<p>Miscellaneous</p> <p>764.7 Rents</p> <p>764.8 Joint expenses - debit</p> <p>764.9 Joint expenses - credit</p> <p>E. General Distribution Expenses</p>	<p>Miscellaneous</p> <p>764.7 Rents</p> <p>764.8 Joint expenses - debit</p> <p>764.9 Joint expenses - credit</p> <p>E. General Distribution Expenses</p>
<p>Operation</p> <p>2765. System operation</p>	<p>Operation</p> <p>1765. Operation supervision and office expenses</p> <p>1767. Operation of distribution lines</p> <p>1768. Operation of meters</p> <p>1769.1 Operation of industrial measuring and regulating stations</p> <p>1769.2 Services on customers' premises</p> <p>1770. Operation of other distribution equipment</p>	<p>Operation</p> <p>765. Operation supervision and engineering.</p> <p>768.1 Distribution maps and records.</p> <p>768.2 Other distribution office expenses.</p> <p>767.1 Operation of distribution mains</p> <p>767.2 Operation of distribution compressor stations</p> <p>767.3 Operation of distribution measuring and regulating sta. equip.</p> <p>768.1 Removing and resetting meters.</p> <p>768.2 Miscellaneous meter expenses.</p> <p>769.1 Operation of industrial measuring and regulating stations</p> <p>769.2 Services on customers' premises</p> <p>770. Operation of other distribution equipment</p>	<p>Operation</p> <p>765. Operation supervision and engineering.</p> <p>768.1 Distribution maps and records.</p> <p>768.2 Other distribution office expenses.</p> <p>767.1 Operation of distribution mains</p> <p>767.2 Operation of distribution compressor stations</p> <p>767.3 Operation of distribution measuring and regulating sta. equip.</p> <p>768.1 Removing and resetting meters.</p> <p>768.2 Miscellaneous meter expenses.</p> <p>769.1 Operation of industrial measuring and regulating stations</p> <p>769.2 Services on customers' premises</p> <p>770. Operation of other distribution equipment</p>
<p>Maintenance</p> <p>2771. Maintenance of distribution system.</p>	<p>Maintenance</p> <p>1771. Maintenance supervision and engineering.</p> <p>1772. Maintenance of structures and improvements.</p> <p>1773. Maintenance of distribution lines.</p>	<p>Maintenance</p> <p>771. Maintenance supervision and engineering.</p> <p>772. Maintenance of structures and improvements.</p> <p>773. Maintenance of distribution lines.</p>	<p>Maintenance</p> <p>771. Maintenance supervision and engineering.</p> <p>772. Maintenance of structures and improvements.</p> <p>773.1 Maintenance of mains</p> <p>773.2 Maintenance of compressor station equipment</p> <p>773.3 Maintenance of measuring and regulating station equipment</p> <p>773.4 Maintenance of services</p> <p>773.5 Maintenance of meters</p> <p>773.6 Maintenance of house regulators</p> <p>773.7 Maintenance of industrial measuring and regulating station equip.</p> <p>773.8 Maintenance of other property on customers' premises</p> <p>774. Maintenance of other distribution equipment.</p>
<p>Miscellaneous</p> <p>2776. Rents</p> <p>2777.1 Joint expenses—Dr.</p> <p>2777.2 Joint expenses—Cr.</p>	<p>Miscellaneous</p> <p>776. Rents</p> <p>777.1 Joint expenses—Dr.</p> <p>777.2 Joint expenses—Cr.</p>	<p>Miscellaneous</p> <p>776. Rents</p> <p>777.1 Joint expenses—Dr.</p> <p>777.2 Joint expenses—Cr.</p>	<p>Miscellaneous</p> <p>776. Rents</p> <p>777.1 Joint expenses—Dr.</p> <p>777.2 Joint expenses—Cr.</p>

OPERATING EXPENSE ACCOUNTS—FOR NATURAL GAS COMPANIES—Continued

Accounts for class D natural gas companies	Accounts for class C natural gas companies	Accounts for class B natural gas companies	Accounts for class A natural gas companies
<p>V. CUSTOMERS' ACCOUNTING AND COLLECTING EXPENSES</p>	<p>V. CUSTOMERS' ACCOUNTING AND COLLECTING EXPENSES</p>	<p>V. CUSTOMERS' ACCOUNTING AND COLLECTING EXPENSES</p>	<p>V. CUSTOMERS' ACCOUNTING AND COLLECTING EXPENSES</p>
<p>2779. Meter reading, accounting, and collecting.</p>	<p>1779. Meter reading, accounting, and collecting.</p>	<p>779. Supervision.</p>	<p>779. Supervision.</p>
<p>2783. Uncollectible accounts 2784. Rents.</p>	<p>1783. Uncollectible accounts 1784. Rents.</p>	<p>780. Customers' contracts, orders, meter reading, and collecting.</p>	<p>780.1 Customers' contracts and orders. 780.2 Credit investigations and records. 780.3 Meter reading. 780.4 Collecting.</p>
<p>VI. SALES PROMOTION EXPENSES</p>	<p>VI. SALES PROMOTION EXPENSES</p>	<p>781. Customers' billing and accounting. 782. Miscellaneous expenses.</p>	<p>781. Customers' billing and accounting. 782. Miscellaneous expenses.</p>
<p>2785. Sales promotion expenses.</p>	<p>1785. Sales promotion expenses.</p>	<p>783. Uncollectible accounts. 784. Rents.</p>	<p>783. Uncollectible accounts. 784. Rents.</p>
<p>2788. Rents 2789. Merchandising, jobbing, and contract work.</p>	<p>1788. Rents 1789. Merchandising, jobbing, and contract work.</p>	<p>VI. SALES PROMOTION EXPENSES</p>	<p>VI. SALES PROMOTION EXPENSES</p>
		<p>785. Supervision. 786. Salaries and commissions.</p>	<p>785. Supervision. 786. Salaries and commissions.</p>
		<p>787. Demonstration, advertising, and other sales expenses.</p>	<p>787.1 Demonstration. 787.2 Advertising. 787.3 Miscellaneous sales expenses.</p>
		<p>788. Rents 789. Merchandising, jobbing, and contract work.</p>	<p>788. Rents. 789. Merchandising, jobbing, and contract work.</p>
		<p>789.1 Revenues from merchandising, jobbing, and contract work.</p>	<p>789.1 Revenues from merchandising, jobbing, and contract work.</p>
		<p>789.2 Costs and expenses of merchandising, jobbing, and contract work.</p>	<p>789.2 Costs and expenses of merchandising, jobbing, and contract work.</p>

VII. ADMINISTRATIVE AND GENERAL EXPENSES		VII. ADMINISTRATIVE AND GENERAL EXPENSES		VII. ADMINISTRATIVE AND GENERAL EXPENSES	
2790.	General office salaries.....	1790.	General office salaries.....	790.	Salaries of general officers and executives.
		1793.	General office supplies and expenses.	791.	Other general office salaries.
		1794.	Management and supervision fees and expenses.	792.1	Expenses of general officers.
2793.	General office and miscellaneous expenses.	1798.	Special legal services.....	792.2	Expenses of general office employees.
		1799.	Injuries and damages.....	793.	General office supplies and expenses.
				794.	Management and supervision fees and expenses.
		1800.	Other general expenses.....	796.	Special legal services.
2797.	Regulatory commission expenses.	1797.	Regulatory commission expenses.....	797.	Insurance.
				798.	Injuries and damages.
2802.	Maintenance of general property.....	1802.	Maintenance of general property.....	799.	Special services.
				800.	Employees' welfare expenses.
2803.	Rents.....	1803.	Rents.....	800.1	Special services.
		1805.	Franchise requirements.....	800.2	Pensioners' welfare expenses.
				801.	Miscellaneous general expenses.
2806.	Duplicate miscellaneous charges—Cr.	1806.	Duplicate miscellaneous charges—Cr.	801.	Miscellaneous general expenses.
2807.	Administrative and general expenses transferred—Cr.	1807.	Administrative and general expenses transferred—Cr.	802.	Commissions paid under agency sales contracts.
2808.	Joint expenses—Dr.	1808.	Joint expenses—Dr.	804.	Commissions paid under agency sales contracts.
2809.	Joint expenses—Cr.	1809.	Joint expenses—Cr.	797.	Regulatory commission expenses.
2810.	Stores expenses.*			802.1	Maintenance of structures and improvements.
2811.	Transportation expenses.*			802.2	Maintenance of office furniture and equipment.

* Required to be kept by class D utilities that are not using the optional clearing Accounts 2902, Stores Expenses, and 2903, Transportation Expenses.

CLEARING ACCOUNTS—FOR NATURAL GAS COMPANIES

2901. Charges by associated companies—clearing. 2902. Stores expenses—clearing. 2903. Transportation expenses—clearing.	901. Charges by associated companies—clearing. 902. Stores expenses—clearing. 903. Transportation expenses—clearing. 904. Laboratory expenses—clearing. 905. Shop expenses—clearing. 906. Tools and work equipment expenses—clearing.	901. Charges by associated companies—clearing. 902. Stores expenses—clearing. 903. Transportation expenses—clearing. 904. Laboratory expenses—clearing. 905. Shop expenses—clearing. 906. Tools and work equipment expenses—clearing.
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NOTE.—Use of the above accounts is optional with class D utilities. Class D utilities that do not use the above accounts are required to use Accounts 2810, Stores Expenses, and 2811, Transportation Expenses, included in Administrative and General Expenses.