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Colorado. Public Utilities Commission

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The Public Utilities Commission
of the State of Colorado

Uniform System of
Accounts
FOR
Water Utilities

First Issue, Effective January 1, 1916
Revised April 1, 1920



Denver, Colorado
1920

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CONTENTS

INTRODUCTION

Order	3
General Requirements and Instructions.....	4-5

INDEX TO ACCOUNTS

Balance Sheet Accounts.....	6
Plant Investment Accounts.....	8
Income Accounts	9
Appropriation Accounts	14

DEFINITION OF ACCOUNTS

Balance Sheet Accounts.....	17
Plant Investment Accounts.....	30
Income Accounts	39
Appropriation Accounts	71

At a regular session of The Public Utilities Commission of the State of Colorado, held at Denver, Colorado, on the 28th day of January, 1916.

In the Matter of a Uniform }
 Classification of Accounts } Order No. 11.
 for Water Utilities. }

The Commission, acting under the laws of Colorado relating to public utilities, including municipally owned or operated utilities, and in the exercise of the powers conferred upon it by law, and after due notice to all public utilities to be affected thereby, including municipally owned or operated utilities, deeming it advisable, after full investigation, to establish a system of accounts and records to be used and kept by all public utilities engaged in the collection, pumping and sale of water, including municipally owned or operated water utilities, it is therefore,

ORDERED, That the system of accounts and records, fully set forth and described in a pamphlet, identified and designated as "A Uniform Classification of Accounts for Water Utilities," said pamphlet and all its contents being referred to herein, hereto attached and made a part hereof, be and the same is hereby established and prescribed as the system of accounts and records to be kept and used by each and all of said utilities.

IT IS FURTHER ORDERED, That each such utility shall carry on its books, the accounts and records herein prescribed for such utility, and shall accurately keep such accounts in accordance with the requirements, definitions and instructions contained and set out in this pamphlet.

IT IS FURTHER ORDERED, That this order shall take effect on January 1st, 1916, and shall continue in force until suspended, modified or set aside by this Commission.

The Public Utilities Commission of the State of Colorado.

M. H. AYLESWORTH,
 Chairman.

(SEAL)

S. S. KENDALL,
 GEO. T. BRADLEY,
 Commissioners.

A true copy :

GEORGE F. OXLEY,
 Secretary.

UNIFORM SYSTEM OF ACCOUNTS FOR WATER UTILITIES

The uniform system of accounts contained in this circular is established and issued by The Public Utilities Commission under the provisions of the Public Utilities Act, Section 33.

An Act concerning public utilities, creating a Public Utilities Commission, prescribing its powers and duties and repealing certain acts and parts of acts in conflict therewith.

Section 33. The Commission shall have power to establish a system of accounts to be kept by all public utilities or to classify said public utilities, and to establish a system of accounts for each class, and to prescribe the manner in which such accounts shall be kept.

The system of accounts and records, fully set forth in this pamphlet and designated as "A Uniform Classification of Accounts for Water Utilities," is hereby established and prescribed as the system of accounts and records to be kept and used by each and all of said utilities.

Each such utility shall carry on its books the accounts and records herein prescribed, and shall accurately keep such accounts in accordance with the requirements, definitions, and instructions contained and set out in this pamphlet.

The utility shall keep its records in such a manner as to show the full facts connected with matters covered by the accounts provided herein. When, for the purpose of improving the efficiency of administration and operation it is desirable to further refine or allocate the general accounts, the same may be supported by other records in which the details shall be fully stated, and the entries in the general accounts, as specified in this classification, shall contain such references to the detailed records as will enable a ready identification and verification of the facts therein recorded, but no change shall be made in the general classification accounts herein prescribed without permission of the Commission having been first obtained.

This system of accounts and records, herein prescribed, shall be used and kept by all public utilities engaged in the collection, pumping, or sale of water, including municipally owned or operated water utilities.

When the same utility plant supplies service in different localities, so far as practicable, the accounts of such utility shall be so kept that the operating expense and operating revenue in each locality may be easily determined. Any utility in doubt as to whether in its case separate accounts should be kept, and to what extent, should confer with the Commission.

This classification has been prepared with a view of making it applicable to varied localities and conditions, and to all water utilities. In order that uniformity may be secured in the application of the provisions of this classification, the accounting officers of the Utilities are urged to correspond with the Commission should any difficulties arise with regard to the interpretation of any account or rule herein prescribed.

The Commission does not bind itself to approve any item set out in any account, either as to amount or character, for rate-making purposes. The classification of accounts is designed to set out the facts in connection with the income, expenses, etc., that the Commission may determine therefrom, for rate-making purposes, just what consideration shall be given to the various items in the several accounts.

Upon this classification will be based the annual report to be made to the Public Utilities Commission.

All records and accounts, including enlargements, subdivisions or refinements of these prescribed accounts, are to be open at all times to the examination of this Commission.

The Public Utilities Commission of the State of Colorado.

M. H. AYLESWORTH,
Chairman.

S. S. KENDALL,

GEO. T. BRADLEY,
Commissioners.

BALANCE SHEET ACCOUNTS

ASSETS

Plant Investment

- 101-146—Plant Investment
- 147—Property in Other Departments
- 150—Unfinished Plant Investment

CURRENT ASSETS

Quick Assets

- 201—Cash
- 202—Notes Receivable
- 203—Accounts Receivable
- 204—Other Quick Assets

BUSINESS ASSETS

- 205—Materials and Supplies
- 206—Prepaid Accounts
- 207—Miscellaneous Current Assets

OTHER ASSETS

- 226—Investments
- 227—Reacquired Securities
- 228—Sinking Funds—Invested
- 229—Sinking Funds—Uninvested
- 230—Special Deposits
- 231—Treasury Securities

SUSPENSE

- 251—Debt Discount and Expense
- 252—Abandoned Property
- 253—Jobbing Accounts
- 254—Clearance, Equalization and Apportionment
- 255—Other Suspense
- 256—Open Accounts

LIABILITIES

Capital Stock

- 301—Preferred Stocks
- 305—Common Stocks

Debt

Funded Debt

- 311—Bonds
- 315—Unfunded Debt
- 320—Other Funded Debt

Current Liabilities

- 321—Notes Payable
- 322—Accounts Payable
- 323—Bond Interest Matured
- 324—Other Interest Matured Unpaid
- 325—Dividends Payable
- 330—Consumers' Deposits
- 331—Other Current Liabilities

Accrued Liabilities

- 341—Interest Accrued on Funded Debt
- 342—Interest Accrued on Unfunded Debt
- 343—Taxes Accrued
- 344—Insurance Accrued
- 345—Dividends Accrued
- 346—Other Accrued Liabilities

Reserves**Permanent and Corporate Reserves**

- 351—Depreciation Reserve
- 352—Amortization Reserve
- 353—Unamortized Premium on Debt
- 354—Sinking Fund Reserves
- 355—Other Permanent Reserves
- 356—Temporary Operating Reserves
- 357—Unamortized Debt and Expense
- 358—Maintenance Reserve
- 359—Uncollectible Account Reserve
- 376—Premium on Capital Stock

Profit and Loss

- 400—Profit and Loss

PLANT INVESTMENT ACCOUNTS

Plant Investment

Intangible

- 101—Organization
- 102—Franchises
- 103—Royalties and Licenses
- 104—Other Intangible Property

Tangible

- 105—Land
- 106—Buildings, Fixtures, and Structures
- 107—Boiler Plant Equipment
- 108—Steam Power Pumping Equipment
- 109—Hydraulic Pumping Equipment
- 110—Electric or Gas Power Pumping Equipment
- 115—Collecting Aqueducts, Intakes, and Supply Mains
- 116—Purification System
- 120—Transmission Mains
- 125—Mains
- 126—Services
- 127—Hydrants
- 128—Meters
- 129—Fire Cisterns, Basins, Troughs, and Fountains
- 140—General Office Equipment
- 141—Miscellaneous Equipment
- 142—Utility Equipment
- 145—Miscellaneous Construction and Equipment Expenditures
- 146—Cost of Plant Purchased (In Lieu of Plant Constructed)
- 147—Property in Other Departments
- 150—Unfinished Plant Investment

INCOME ACCOUNTS

OPERATING REVENUES

- 501—Earnings from Commercial Sales
- 502—Earnings from Industrial Sales
- 503—Earnings from Municipal Hydrant Rental
- 504—Earnings from Sales for Street Sprinkling
- 505—Earnings from Sales to Municipal Departments
- 506—Profit on Merchandise Sales
- 507—Profit on Piping and Connections
- 508—Miscellaneous Earnings from Operation

OPERATING EXPENSES

PUMPING

STEAM POWER PUMPING

Operation

- 601—Superintendence
- 602—Pump Labor
- 603—Purification Labor
- 604—Miscellaneous Labor
- 605—Steam Generating
- 606—Lubricants
- 607—Purification Supplies and Expenses
- 608—Miscellaneous Station Supplies and Expense

Maintenance

- 611—Repairs Steam Pumping Equipment
- 612—Repairs Pumping Station Auxiliary Equipment
- 613—Repairs Surface Source of Supply
- 614—Repairs Ground Source of Supply
- 615—Repairs Aqueducts, Intakes, Mains, etc.
- 616—Repairs Purification Equipment
- 617—Repairs Purification Buildings, Fixtures, and Grounds
- 618—Repairs Pumping Station, Buildings, and Fixtures

HYDRAULIC POWER PUMPING

Operation

- 625—Superintendence
- 626—Hydraulic Labor
- 627—Pump Labor
- 628—Purification Labor
- 629—Miscellaneous Labor
- 630—Hydraulic Power Purchased
- 631—Lubricants
- 632—Purification Supplies and Expense
- 633—Miscellaneous Station Supplies and Expense

Maintenance

- 635—Repairs Dams, Canals and Flumes
- 636—Repairs Turbines and Water Wheels
- 637—Repairs Hydraulic Equipment
- 638—Repairs Station Auxiliary Equipment
- 639—Repairs Surface Source of Supply
- 640—Repairs Ground Source of Supply
- 641—Repairs Aqueducts, Intakes and Supply Mains
- 642—Repairs Purification Equipment
- 643—Repairs Purification Buildings
- 644—Repairs Station Buildings, Fixtures and Grounds

ELECTRIC OR GAS POWER PUMPING

Operation

- 651—Superintendence
- 652—Pump Labor
- 653—Purification Labor
- 654—Miscellaneous Labor
- 655—Electric Current or Gas Purchased
- 656—Lubricants
- 657—Purification Supplies and Expense
- 658—Miscellaneous Station Supplies and Expense

Maintenance

- 661—Repairs Electric or Gas Pumping Equipment
- 662—Repairs Pumping Station Auxiliary Equipment
- 663—Repairs Surface Source of Supply
- 664—Repairs Ground Source of Supply
- 665—Repairs Aqueducts, Intakes and Supply Mains
- 666—Repairs Purification Equipment
- 667—Repairs Purification Buildings
- 668—Repairs Pumping Station, Buildings, Fixtures, etc.

NOTE—If water is pumped by electric power, use this classification; or, if water is pumped by gas power, use this classification, designating same by erasing the word "electric" or "gas," as used. If water is pumped by both electric and gas power, use this classification for each, designating the same under same code numbers with the addition after code number of "E" for electric power, and "G" for gas power.

GRAVITY SUPPLY

Operation

- 680—Superintendence
- 681—Gravity Supply Labor
- 682—Purification Labor
- 683—Miscellaneous Labor
- 684—Purification Supplies and Expense
- 685—Gravity Supply System Supplies and Expense

Maintenance

- 690—Repairs to Water Supply Structures
- 691—Repairs to Surface Source of Supply
- 692—Repairs to Ground Source of Supply
- 693—Repairs to Purification Equipment

WATER PURCHASED

(In lieu of water pumped)

695—Commercial Water Purchased

DISTRIBUTION

Operation

- 701—Wages
 - (a) Superintendence
 - (b) Wages
- 702—Patrolling Storage Facilities
- 703—Removing and Setting Meters
- 704—Meter and Fitting Department Labor
- 705—Meter and Fittings Supplies and Expense
- 706—Street Department Labor
- 707—Street Department Supplies and Expense
- 708—Miscellaneous Expense and Supplies

Maintenance

- 710—Repairs Transmission Mains
- 711—Repairs Reservoirs, Tanks, Standpipes
- 712—Repairs Distribution Mains
- 713—Repairs Services
- 714—Repairs Meters
- 715—Repairs Hydrants
- 716—Repairs Fire Cisterns and Basins
- 717—Repairs Fountains and Troughs
- 718—Repairs Distribution, Buildings, Fixtures and Grounds

UTILITY EQUIPMENT

Operation

- 730—Utility Expense

Maintenance

- 731—Repairs to Utility Equipment
- 732—Repairs Utility Equipment, Buildings and Structures

COMMERCIAL EXPENSE

- 741—Office Salaries and Expense
 - (a) Salaries and Expense—Meter Indexer
 - (b) Salaries and Expense—Accounting Department
 - (c) Salaries and Expense—Collection Bureau
 - (d) Salaries and Expense—Contract Department
- 742—Office Supplies and Expense
- 743—Advertising

GENERAL EXPENSE

- 761—Salaries and Expenses of General Officers

- 762—Salaries and Expense of General Office Clerks
 - (a) Accounting Department Expense
 - (b) Purchasing Department Expense
 - (c) General Service Expense
- 763—Printing and Stationery—General
- 764—General Office Expense
 - (a) Office Sundries
 - (b) Postage, Telephone, Telegrams
- 765—Repairs to General Office Building
- 766—Expense—General
- 767—Law Expense—General
- 768—Injuries and Damages
 - (a) Claim Department Expense
 - (b) Medical Expense
 - (c) Injuries to Employees
 - (d) Injuries to Others
- 769—Insurance
- 770—Relief Department and Pensions
- 771—Franchise Requirements
- 773—Inventory Adjustment
- 774—Duplicate Charges—Credit
 - (a) Rebates and Allowances
- 775—Depreciation Account
- 776—Real Estate Rentals
- 779—Taxes
- 780—Uncollectible Bills

NON-OPERATING ACCOUNTS

NON-OPERATING REVENUES

- 782—Rent from Lease of Real Estate and Buildings
- 783—Interest and Dividends from Investments
 - (a) Interest from Bond and Other Investments
 - (b) Dividends from Stock Investments
- 784—Steam and Heating Department Revenue
- 785—Miscellaneous Non-Operating Revenues

NON-OPERATING EXPENSES

- 786—Steam and Heating Department Expenses
- 787—Other Non-Operating Expenses
 - (a) Rent Expense
 - (b) Interest Expense
 - (c) Dividend Expense
 - (d) Non-Operating Taxes
 - (e) Uncollectible Non-Operating Revenues
 - (f) Miscellaneous Non-Operating Expense

DEDUCTIONS FROM INCOME

- 788—Interest on Funded Debt
- 789—Interest on Unfunded Debt
- 790—Extinguishment of Discount on Securities
- 791—Sinking Fund Accruals
- 792—Miscellaneous Deductions from Income
- 793—Extinguishment of Premium on Debt—Credit

APPROPRIATION ACCOUNTS

795—Dividends Declared

796—Miscellaneous Appropriations

(a) Expense Elsewhere Unprovided for

(b) Adjustments of Accounts of Previous Years

Definition of Accounts

Detailed Text of Accounts

BALANCE SHEET ACCOUNTS

ASSETS

101-146—Plant Investment

All tangible and intangible property having a life of more than one year is included in this account.

For details and definitions of the various accounts coming under this heading, see pages 30 to 37, inclusive.

Current Assets

This is a broad generalization of all property devoted to the purposes of the business other than plant investment and these are divided under separate headings. Owing to the difference in character of the items they should be separately listed on the balance sheet, as only by this means can the immediate cash status of the business be ascertained.

201—Cash

Charge to this account all money coming into the possession of the corporation and in which the corporation has the beneficial interest. This includes coin of the United States, United States treasury notes, gold and silver certificates and greenbacks and bank bills payable to bearer. Also charge to it all bank credits, checks and drafts receivable, subject to satisfaction or transfer upon demand (whether payable to bearer or to order). Credit this account with all cash disbursements of the corporation.

202—Notes Receivable

Charge to this account the cost of all notes receivable (except as below provided) which are the property of the corporation and upon which solvent concerns and individuals are liable or which are sufficiently secured to be considered good. This account includes demand notes, drafts, etc., issued by others than banks, and time notes, drafts, etc., by whomever issued. This account does not include investments (account No. 226), nor does it include interest coupons.

203—Accounts Receivable

Charge to this account all amounts owing to the corporation upon open book accounts with solvent concerns and individuals

(other than cash deposited in banks); also the cost of all accounts and claims upon which responsibility is acknowledged by solvent concerns or which are sufficiently secured to be considered good, and of all judgments against solvent concerns where the judgment is not appealable or suspended through appeal. This account does not include notes receivable.

204—Other Quick Assets

Charge to this account the cost of all current assets of the corporation which are not included under any of the three preceding accounts.

BUSINESS ASSETS

205—Materials and Supplies

Charge to this account the cost, including transportation, of all materials and supplies purchased, regardless of whether the same are intended to be consumed in construction or in operation, or later to be sold. Where the original invoices are charged to this account or its sub-accounts, and discounts are later recovered for prompt payment, such discounts shall be credited to the accounts charged by the original invoice.

When any materials or supplies, the cost of which is charged to this account, are issued for use, the net cost of the same shall be credited to this account and debited to the proper construction or operating expense account. Inventories of materials and supplies shall be taken periodically and any shortage or overages disclosed by such inventories shall be credited or debited to this account, and debited or credited to the account "Inventory Adjustments," in case they cannot be assigned to specific accounts.

When the use of any tangible property is discontinued it shall be treated as retired; the original cost of such property shall be credited to the plant investment account in which it is carried, and its value, if any, as second-hand material or junk shall be charged to this account. If such value is not known and cannot readily be determined, it shall be estimated, and errors in such estimates, when determined, shall be adjusted through the accounts involved during the year in which the estimates were made; if later, then through the account "Inventory Adjustments."

Sub-accounts must be opened to this account for the different classes of materials and supplies.

- (a) Fuel
- (b) Pumping Station Supplies
- (c) Main Piping
- (d) Service Piping
- (e) Fittings
- (f) Meters
- (g) Hydrants
- (h) Appliances

206—Prepaid Accounts

When payments are made in advance of actual accrual thereof, the amount of the advance payment should be charged to this account, or appropriate sub-accounts.

206a—Prepaid Insurance

Charge to this account all premiums on insurance policies when paid in advance of their accrual, regardless of whether the amounts so prepaid are paid in cash or by an issue of notes or other negotiable paper. As premiums thus prepaid accrue, credit to this account at regular intervals the amount applicable to the period and charge same to the appropriate "Insurance" account.

206b—Prepaid Taxes

Charge to this account all taxes when paid in advance of their accrual, regardless of whether the amounts so prepaid are paid in cash or by an issue of notes or other negotiable paper. As taxes thus prepaid accrue, credit to this account at regular intervals the amount applicable to the period and charge same to the appropriate "Taxes" account.

206c—Prepaid Interest

Charge to this account all interest when paid in advance of its accrual, on any obligations of the utility. As the interest thus prepaid accrues, credit to this account at regular intervals the amount applicable to the period and charge same to the appropriate "Interest" account.

207—Miscellaneous Current Assets

Charge to this account the cost of all current assets of the utility not included under any of the preceding current assets accounts. Property readily convertible into money and which is being held with the intent of being so converted into money will be considered as a current asset and charged to this account when it cannot be charged to one of the preceding accounts.

OTHER ASSETS

226—Investments

By investments, as here used, are meant all properties or securities acquired not for use in present operations, as a means of obtaining or exercising control over other corporations, or for income to be derived from them, or for a rise in value, or for devotion to future operations at a time when it seems probable that they cannot be so advantageously acquired as at the time of actual acquisition. The cost of the corporation's title to any property or securities held as an investment for other than the Sinking Fund should be charged to this account.

227—Reacquired Securities

When securities, whether funded debt or stocks, have been actually issued to bona fide holders for value (or after such issue by another corporation has been assumed by the accounting corporation), and after such issue (or assumption) has been acquired by the corporation under circumstances which require that they should not be treated as paid or retired, they should be charged at their cost to this account.

228—Sinking Funds—Invested

To this account should be charged the cost of live securities in the hands of trustees for the purpose of redeeming outstanding obligations.

229—Sinking Funds—Uninvested

To this account should be charged the amount of cash set aside for investment for the Sinking Funds.

230—Special Deposits

By Special Deposits, as here used, are meant amounts of money and bank credits in the hands of fiscal or other agents of the corporation for the payment of coupons, dividends or other special purposes.

Charges to this account should specify the purpose for which the deposit is made. When such purposes are satisfied this account should be credited with the amount specially deposited to provide such satisfaction.

231—Treasury Securities

Charge to this account the par value of all stocks and bonds which have been authorized and issued by the corporation, held by the treasurer or by a fiscal agent for its benefit, but which have not been sold. When such securities are sold their par value should be credited to this account.

SUSPENSE ACCOUNTS

251—Debt Discount and Expense

When funded debt securities and other evidences of indebtedness are disposed of for a consideration whose cash value is less than the sum of the par value of the securities or other evidences of indebtedness and of the interest thereon accrued at the time the transfer takes place (if it is not proper to charge the difference to "Plant Investment"), the excess of such sum of the par value and accrued interest over the cash value of the consideration received shall be charged to this account.

To this account shall also be charged all expense connected with the issue and sale of evidences of debt, such as fees for drafting mortgages and trust deeds, cost of engraving and printing

bonds, certificates of indebtedness and other commercial paper having a life of more than one year, fees paid trustees provided for in mortgages and trust deeds, fees and commissions paid underwriters and brokers for marketing such evidences of debt and other like expense. At or before the close of each fiscal period thereafter, a proportion of such discount and expense based upon the life of the security to maturity shall be credited to this account and charged to Account Unamortized Debt Discount and Expense. Such discount and expense may, if desired, be extinguished more rapidly through charges of all or any part of it, either at the time of issue or later, to the year's Profit and Loss Account.

252—Abandoned Property

To this account may be charged the cost of property abandoned because of replacement operations or destroyed as the result of an extraordinary casualty, less salvage recovered, the net loss on such abandoned property because of the financial condition of the company, it may be necessary to spread over a series of years.

The amount so charged to this account should be credited to the plant investment account interested.

253—Jobbing Accounts

Charge to this account the cost of labor and material on all work in progress for account of the customers of the company or others. This account, as work is completed and charges made, should be cleared by a charge through accounts receivable and credited to this account.

254—Clearance, Equalization or Apportionment Accounts

These accounts are designed to carry, temporarily, the cost of operating such facilities as garages, stables, storehouses, etc., and also overhead or burden costs such as it is desirable should be spread uniformly over the construction and operating transactions interested.

The charges to the construction and operating accounts and the contemporaneous credits to these accounts should, unless there is some good reason to the contrary, be so distributed that the costs for any one year will be absorbed by the transactions occurring during that year.

255—Other Suspense

Charge to this account all debits not elsewhere provided for and concerning which the final disposition thereof is uncertain.

256—Open Accounts

Charge may be made to open accounts which are of a temporary nature, and which are held subject to adjustment. When

proper location of such accounts is known, this account should be credited and charge made to proper account.

LIABILITIES

Capital Stock

In the accounts of stocks outstanding a separate account shall be opened for each class of stock issued and no two stocks shall be considered of the same class unless they are equal in their interest or dividend rates, voting rights and conditions under which they may be retired, if the right to retire them is contained in the contract of issue. The characteristics of any class of stock in these regards shall be designated in the title of the accounts opened to cover such stocks and shall be clearly expressed in the first entries to such account. To the account for any class of stocks shall be credited when issued the par value of the amount of such stock issued. If such issue is for money that fact shall be stated, and if for any other consideration than money the persons to whom issued shall be designated and the consideration for which issued shall be described with sufficient particularity to admit of identification; if such issue is to the treasurer or other fiscal agent of the corporation or if by him disposed of for the benefit of the corporation that fact and the name of such agent shall be shown and such agent shall in his account of the disposition thereof show like details concerning the consideration realized thereon, which account, when accepted by the corporation, shall be preserved as a corporate record.

301—Preferred Stock

305—Common Stock

311—Funded Debt or Bonds

The funded obligations of the utility shall be divided into classes according to their characteristics, as to the security for the same, the rate of interest, interest dates, and date of their maturity. A separate sub-account shall be opened for each such class of funded indebtedness and no accounts or debts not agreeing in the characteristics mentioned shall be included in the class of funded indebtedness and no accounts or debts not the same sub-account. The titles of each sub-account shall express the characteristics above stated. To the proper sub-account shall be credited, when issued, the par value of the amount of the evidences of funded indebtedness issued. The entry shall show not only the amount issued but the purpose for which issued, and shall make clear and intelligent reference to the corporate records showing all details connected with such transactions. If the considerations received for the issue is anything other than money, the entries shall show further to whom issued and shall describe with sufficient particularity to identify it the actual consideration received for it. If the issue is to the agent of an undisclosed principal, the name and

business address of such agent and the fact of his agency shall be shown in the entry.

315—Unfunded Debt

The mortgage obligations of the utility shall be divided into classes according to their characteristics, as to the security for the issue, the rate of interest, interest dates, and the date of maturity. A separate sub-account shall be opened for each mortgage. The title of each such sub-account shall express the characteristics above stated. To the proper sub-account shall be credited, when issued, the total receipts from the sale of evidences of indebtedness secured by the mortgage. The entries shall show the amount of the mortgage debts, the purpose for which such debt was incurred and shall show by intelligent reference all the details connected with such transactions. If the consideration received for the indebtedness is anything other than money the entry shall show the person to whom issued and shall describe with sufficient particularity to identify it the actual consideration received. If the indebtedness is to an agent of an undisclosed principal, the name and business address of such agent and the fact of his agency, shall be stated in the entry.

320—Other Mortgages or Funded Debt

This account shall be raised to show all mortgage indebtedness and transactions pertaining thereto in regard to mortgages other than real estate mortgages as defined in the preceding account Unfunded Debt.

CURRENT LIABILITIES

321—Notes and Bills Payable.

When any note, draft or other bill payable, which matures not later than one year after date of issuance or of demand or assumption by the utility of primary liability thereon, is issued or assumed, the par value thereof shall be credited to this account and when it is paid it shall be charged to this account and credited to Cash or other appropriate account.

322—Accounts Payable

Credit this account, when incurred, with all liabilities of the utility upon open accounts not includible in any of the other current liabilities accounts.

323—Matured Interest on Funded Debt Unpaid

When interest owing by the utility upon any of its funded indebtedness matures and is unpaid, whether the cause of failure is on the part of the coupon holder to present coupons for payment or for other reasons, it shall be credited to this account and charged to the account Unmatured Interest on Funded Debt Accrued to which it had heretofore been credited.

324—Matured Interest on Notes and Bills Payable, Unpaid

When interest owing by the utility upon any of its notes and bills payable matures and is unpaid, whether the cause of failure is on the part of the holder of the paper to present it for payment or for other reasons, it shall be credited to this account and charged to the account Unmatured Interest on Notes and Bills Payable Accrued to which it had heretofore been credited.

325—Dividends Unpaid

When dividends declared by the corporation become payable they shall be credited to this account and charged to the account Dividends.

330—Deposits

Credit to this account, as such deposits are made, all cash deposited with the utility by consumers as security for the payment of bills. Deposits refunded shall be charged to this account and credited to Cash. Deposits applicable to uncollectible bills shall, at the close of the fiscal year or earlier, at the option of the accounting utility, be credited to the account of the consumer involved and debited to this account. Deposits made by employes or others shall also be credited to this account. Detailed records of deposits as between customers and employes will be required by the Commission.

331—Sundry Current Liabilities

Credit to this account at their face value all unfunded obligations upon which the utility is liable and which are not elsewhere provided for.

ACCRUED LIABILITIES

341—Unmatured Interest on Funded Debt Accrued

To this account shall be credited at the close of each month all unmatrued interest accrued during the month upon the funded indebtedness of the utility. When such interest matures it shall be charged to this account and credited to the account Matured Interest on Funded Debt Unpaid. When paid, the interest shall be charged to the account Matured Interest on Funded Debt Unpaid and credited to Cash or to the coupon deposit account.

342—Unmatured Interest on Notes and Bills Payable, Accrued

To this account shall be credited at the close of each month all unmatrued interest accrued during the month upon all notes and bills payable by the utility. When such interest matures it shall be charged to this account and credited to the account Matured Interest on Notes and Bills Payable, Unpaid. When the interest is paid, it shall be charged to the account Matured Interest on Notes and Bills Payable, Unpaid, and credited to Cash or other appropriate account.

343—Taxes Accrued

To this account shall be credited at the close of each month all taxes accrued during the month and corresponding charges shall be made to the Taxes account. Credits to the account Taxes Accrued will be based upon estimates until the amount of the taxes levied for the period is definitely ascertained. Such estimates shall be made upon the best data available, and as soon as the amount of taxes for the period is known, the account involved shall be adjusted to conform. When any taxes become due they shall be charged to this account.

344—Insurance Accrued

Credit to this account at the close of each month the insurance accrued during the period in question, as determined by the policies of all insurance covering the property of the utility. When such premiums are paid they shall be charged to this account and credited to Cash or other appropriate accounts.

The amount set aside as an insurance reserve by the utility carrying its own insurance either in whole or in part shall be charged to this account.

345—Dividends Accrued

To this account may be credited at the close of each month the amount of dividends accrued on preferred and common stock during such period at the rates of dividend payments established by the corporation. When such dividends become payable they shall be charged to this account and credited to the account Dividends Unpaid, in which account they shall remain until paid, when such amount shall be charged to Dividends Unpaid, making a corresponding credit to Cash or other appropriate account.

346—Sundry Liabilities Accrued

To this account shall be credited at the end of each month as it is accrued, any other unfunded obligation of the utility not provided for in any of the preceding accrued liability accounts, making a corresponding charge to operating expenses or other expense account.

351—Depreciation Reserve

To this account shall be credited monthly, or as they are made, all charges to the Depreciation Account (hereinbefore described), the income from the investment of any money or from any security belonging to the Depreciation Reserve, and any other appropriations which may have been made to it.

When through wear and tear in service, casualty, inadequacy, supersession or obsolescence, any building, structure, facility or unit of equipment originally charged to capital is no longer economically repairable, and in order to keep the productive capacity

of the plant up to its original or equivalent state of efficiency it is necessary to make a complete replacement of such building, structure or unit of equipment, the money cost of the original unit replaced and charged to capital (estimated if not known, and if estimated the basis thereof shall be shown in the record entry) shall be charged to the Depreciation Reserve, and the excess cost of the substituted unit over such original unit shall be charged to the appropriate capital account.

When any building, structure, facility or unit of equipment originally charged to capital is retired from service and not replaced by any other unit of similar nature or equivalent thereto, the original money cost thereof (estimated if not known, and if estimated the basis thereof shall be shown in the record entry) shall be charged to this account and such amount originally entered or contained in the charges to capital in respect to such unit so being retired shall be credited to the capital account to which it was originally charged, and any adjustments necessary made through the Surplus Account.

The salvage or scrap value of any unit of equipment retired from service or replaced by any other unit will be credited to this account.

An analysis of the charges and credits to this reserve will be called for in the annual report to the Commission.

352—Amortization Reserve

This account shall be raised to provide for the amortization of intangible capital in service. To it shall be credited monthly, or as they are made, all the amounts charged from time to time through operating expenses to the account Amortization Reserve Requirements, which account is to be set up where the nature of the capital occasions the setting up this reserve. Such reserve shall also be credited with all accumulations resulting from the investment of any moneys or the interest or dividends from any securities belonging to it.

For example, a corporation pays \$100,000 for a twenty-year franchise to operate a public utility. In order that this amount shall be set aside out of revenue and the actual capital of the corporation not impaired by dividends paid, there shall be charged monthly to the account Amortization Reserve Requirements, crediting the Amortization Reserve, an amount which, invested at current rates of interest, will at the end of the franchise term have created an amount equivalent to the cost of the franchise.

An analysis of the charges and credits to this reserve will be called for in the annual report to the Commission.

353—Unamortized Premium on Debt

When funded debt securities or other evidences of indebtedness are disposed of for a consideration whose cash value is greater than the sum of the par value of such securities or other evidences

of indebtedness and the interest thereon accrued at the time the transfer takes place, the excess of the cash value of such consideration received over the sum of the par value of the securities or other evidences of indebtedness and the accrued interest shall be credited to this account. At monthly intervals thereafter a proportion of such premium based upon the life of the security or other evidence of indebtedness to maturity shall be charged to this account and credited to "Amortization of Premium on Debt" in "Income" account; or at the option of the corporation the charge to this account may be delayed to a time not later than the date of maturity of the debt, in which case the proportion applicable to the period covered by the then current income account shall be credited to the account "Amortization of Premium on Debt," and the remainder of the credit shall be to the account "Other Additions to Surplus."

354—Sinking Fund Reserves

Sinking fund reserves shall be maintained whenever they are required in pursuance of the provisions of mortgage deeds, deeds of trust, contracts or provisions of the law. A separate Sinking Fund Reserve shall be maintained for each contractual requirement, to which reserve shall be credited any appropriation made in pursuance of the terms of the respective mortgage and trust deeds, contracts, etc., and charged to the account Contractual Sinking Fund Requirements and also accumulations resulting from any security belonging to such particular reserve. The title of each reserve shall clearly indicate the purpose for which it is being maintained.

An analysis of the charges and credits to this reserve will be called for in the annual report to the Commission.

355—Other Permanent Reserves

Credit to this account all reserves not heretofore provided for which are to remain intact during the life of the company.

Sub-accounts may be created for each particular reserve and so designated by title.

356—Temporary Operating Reserves

Credit to this account all temporary reserve not hereinbefore provided for.

Sub-accounts may be used under this classification to further refine any reserve which is desired to be taken care of for operating expenses.

357—Unamortized Debt and Expense

When funded debt securities and other evidences of indebtedness are disposed of for a consideration whose cash value is less than the sum of the par value of the securities or other evidences of indebtedness and the interest thereon accrued at the time the

transfer takes place, the excess of such sum of the par value and accrued interest over the cash value of the consideration received shall be charged to this account. To this account shall also be charged all expense connected with the issue and sale of evidences of debt, such as fees for drafting mortgages and trust deeds, fees and taxes for recording mortgages and trust deeds, cost of engraving and printing bonds, certificates of indebtedness, and other commercial paper having a life of more than one year, fees paid trustees provided for in mortgages and trust deeds, fees and commissions paid underwriters and brokers for marketing such evidences of debt, and other like expense. At or before the close of each fiscal period thereafter, a proportion of such discount and expense based upon the life of the security to maturity shall be credited to this account and charged to account "Amortization of Debt Discount and Expense." Such discount and expense may, if desired, be amortized more rapidly through charges of all or any part of it, either at the time of issue or later, to the account "Other Deductions from Surplus."

358—Maintenance Reserve

This reserve may be raised by those utilities which operate equipment, the repairs to which are occasioned only at remote intervals and are then so considerable in amount as to cause wide fluctuations in the operating expenses for the division of operation or group of expenses of which the maintenance account in question is a part.

359—Uncollectible Accounts Reserve

Credit this account every month with the charge made to the account Uncollectible Accounts (Reserve Charge) as explained in connection therewith. When any account for service, upon which any debtor is liable to the utility, becomes impossible of collection because of the removal of the debtor beyond the jurisdiction of the state, the operation of the Statute of Limitations, discharge in bankruptcy, or for any other good and sufficient reason after diligent effort to collect the same has been made, such account may be charged to this account and credited to Accounts Receivable, to which it was originally charged.

All accounts which have been charged off as uncollectible, but which are afterwards collected, shall be credited to this reserve.

An analysis of the charges and credits to this reserve will be called for in the annual report to the Commission.

376—Premium on Capital Stock

If a premium is realized on any issue of stock, such premium should be credited to the sub-account for each class of stock.

The excess of the actual money value of the consideration obtained over the par value of the stock should be considered the premium realized.

PROFIT AND LOSS

400—Profit and Loss

This account is the connecting link between the Income Account and the Balance Sheet. In it are summarized the losses or gains of a corporation during a given fiscal period resulting from the business transactions during that period, as well as those affected by any disposition of net profits made solely at the option of the corporation, by accounting adjustments not properly attributable to the period or by miscellaneous losses or gains not provided for elsewhere. At the end of each fiscal period the net balances as shown by the Income Account and each Appropriation Account should be closed into this (Profit and Loss) account.

PLANT INVESTMENT

101-146

All tangible and intangible property having a life in service of more than one year is included in Plant Investment. Intangible property consists of Organization expenses, franchises, rights and licenses, etc. Tangible property includes lands, buildings, equipment, etc.

INTANGIBLE

101—Organization

Charge to this account all fees paid to governments for the privilege of incorporation, and all office and other expenditure incident to organizing the corporation or other enterprise and putting it in readiness to do business. This includes cost of preparing and distributing prospectuses, cost of soliciting subscriptions for stock (but not for loans nor for the purchase of bonds or other evidence of indebtedness), cash fees paid to promoters, and the actual cash value at the time of organization of securities paid to promoters for their services in organizing the enterprise, counsel fees, cost of preparing and issuing certificates of stock, and cost of procuring certificates of necessity from state authorities, and other like costs. Like costs incident to preparing and filing certificates of authorization of increase of capital stock, and to the negotiation and issue of stock thereunder, shall be classed as addition. Cost of preparing and filing certificates of amendment of articles of incorporation shall be classed as a betterment. Cost of preparing and filing papers in connection with the extension of the term of incorporation or with reincorporation consequent upon reorganization shall be classed as a renewal. This account shall not include any discounts upon stocks or other securities issued, nor shall it include any costs incident to negotiating loans or selling bonds or other evidence of indebtedness.

102—Franchises

To this account shall be charged "the amount (exclusive of any tax or annual charge) actually paid to the State or to a political subdivision thereof as the consideration for the grant of such franchise or right" as is necessary to the conduct of the corporation's operations. If any such franchise is acquired by mesne assignment, the charge to this account in respect thereof must not exceed the amount actually paid therefor by the corporation to its assignor, nor shall it exceed the amount specified in the statute above quoted. Any excess of the amount actually paid by the corporation over the amount specified in the statute shall be charged to the account "Other Intangible Capital." If any such franchise has a life of not more than one year after the date when it is placed in service, it shall not be charged to this account, but to the appro-

priate accounts in "Operating Expenses," and in "Prepayments" if extended beyond the fiscal year.

Payments made to the State or to some subdivision thereof as a consideration for granting an extension for more than one year of the life period of a franchise shall be classed as renewals. Those made as a consideration for franchises or extensions thereof covering additional territory to be operated as a part of an existing system shall be classed as betterments. If the franchises cover separate and distinct new enterprises, the payments therefor shall be classed as original.

NOTE.—Annual or more frequent payments in respect of franchises must not be charged to this account, but to the appropriate tax or operating expense account.

103—Royalties, Licenses

Charge to this account the cost of royalties or licenses paid to licensors and payments to city, town or State (exclusive of taxes) for franchises.

104—Other Intangible Capital

Charge to this account the cost of all other property coming within the definition of intangible capital and devoted to the utility operations. All entries of charges to this account shall describe the acquired property with sufficient particularity clearly to identify it, and shall also show specifically the principal from whom acquired and all agents representing such principal in the transaction; also the term of life of such property, estimated if not known, and if estimated, the facts upon which the estimate is based.

TANGIBLE

105—Land

Charge to this account the cost of the accounting utility's landed capital which is used and useful in the operation of the water utility whose term of occupation is over one year from the grant thereof. This includes all lands occupied by pumping stations, dams, reservoirs, pipe lines, standpipes, tanks, filtering beds, purification plants, etc.; also lands for water rights, rights of way and general office buildings. Such cost includes when assumed or paid by the purchaser in his own behalf, cost of registration of title, cost of examination of title, conveyancer's and notary fees, purchasing agent's commissions or fees, or proportion of purchasing agent's salary, taxes accrued to date of transfer of title, and all liens upon the title acquired; also costs of obtaining consents and payments for abutting damages.

NOTE A.—Cost of buildings and other improvements must not be included in this account.

NOTE B.—If at the time of acquisition of an interest in lands it extends to buildings or other improvements thereon, which improvements are devoted by the corporation to its operations, and the contract of acquisition does not determine the price of such improvements, they

shall be appraised at their fair cash value for use in such operations, and such appraised value shall be charged to the appropriate structures account and excluded from the account "Land Devoted to Operations." If such improvements are not devoted to its operations, but are devoted to other operations or held as investments, the cost (or appraised value if the cost is not determined in the contract of acquisition) shall be charged to the appropriate investment account or capital account for other operations. If the improvements are removed or wrecked, the salvage (less the cost of removal or wreckage) shall be excluded from the account "Land Devoted to Operations." The entries in this account must be made in such wise as to enable the corporation to show in its annual report to the Public Utilities Commission the subdivision of the cost of its land devoted to its operations.

106—Buildings, Fixtures and Structures

Charge to this account the cost of all buildings and other structures of a permanent character devoted to general corporate purposes, not restricted to its operations and not includible in any of the departmental accounts; also of all fixtures permanently attached thereto and made a part thereof, such as water pipes and fixtures; steam pipes and fixtures for warming and ventilating; gas pipes and fixtures for lighting, etc.; electric wiring and fixtures for lighting, signaling, etc.; elevators, etc., and the engines and motors specially provided for operating them; furnaces, boilers, etc., specially provided for producing steam for such engines and for heating; electric generators specially provided for producing current for lighting such buildings, etc. This account includes such piers and other foundations for machinery and apparatus as are designed to be as permanent as the buildings in (or in connection with) which they are constructed, and to outlast the first machinery or apparatus mounted thereon.

NOTE A.—Among such buildings may be mentioned general office buildings, general shop buildings, general storehouses, general stable buildings, etc. This account is provided for structures of a general or miscellaneous character not assignable to any particular department.

NOTE B.—When furnaces and boilers are used primarily for furnishing steam for some particular department and only incidentally for furnishing steam for heating a general building and operating the equipment therein, the entire cost of such furnaces and boilers shall be charged to the appropriate departmental capital account.

107—Boiler Plant Equipment

Charge to this account the cost of all equipment devoted to the generation of steam. Charge with the cost of furnaces, boilers, their foundations and settings, boiler fittings, iron and steel smokestacks, feed pump, water feed pipe, injectors, economizers, water heaters, superheaters, valves, flues, steam pipes from the boilers to the engine throttle valves, steam exhaust system, boiler water purification equipment, mechanical stokers, cranes, coal and ash conveyors, steam traps, crushers, belt links, wheels, chutes and gates, conveyor cars, winches, motors, buckets, shafts, chains and similar auxiliary equipment in the boiler plant.

108—Steam Power Pumping Station Equipment

Charge this account with the cost of all steam power pumping equipment. This includes the cost of steam pumps where the steam and water cylinders are placed in the same machine and where the power pump is distinct from the steam prime movers, either reciprocating engines or turbines; condensers, vacuum pumps and oiling systems; power transmission equipment such as shafting, belting, rope and cable drives, gearing, clutches, pulleys and idler wheels; and auxiliary motors, hoists, cranes and pumping station tools, together with necessary valves, governors, etc.

NOTE.—Utilities desiring to do so may subdivide this account into the following

- a. Steam Engines and Turbines.
- b. Pumps and Pump Equipment.
- c. Steam Power Pumping Station Auxiliary Equipment.

109—Hydraulic Power Pumping Station Equipment

Charge this account with the cost of the hydraulic power works and all equipment of the hydraulic power pumping station. This includes the cost of all dams, canals and flumes devoted to the production of hydraulic power and the delivery of water to the head gates of the water wheels and turbines. Also charge with the cost of waste-ways from the outlet of the draft tube to the point of final discharge, including the cost of all gates, valves and other accessories, sluices, forebays, etc., used in the development of the hydraulic power and all accessory canals and aqueducts. Charge also with the cost of all water wheels and turbines used in the pumping of water by hydraulic power including their foundations and settings, governors, and all apparatus appurtenant thereto from the head gates and governors to the waste-ways. Charge this account also with the cost of all pumps at the station operated by hydraulic power, together with the power transmission equipment such as shafting, belting, rope and cable drives, gearing, clutches, pulleys and idler wheels, and auxiliary pumping station equipment as motors, hoists, cranes, pumping station tools, valves, etc.

NOTE.—Utilities desiring to do so may subdivide this account as follows:

- a. Hydraulic Power Works.
- b. Water Wheels and Turbines.
- c. Pumps and Pump Equipment.
- d. Hydraulic Power Pumping Station Auxiliary Equipment.

110—Electric or Gas Power Pumping Station Equipment

Charge this account with the cost of all equipment of the electric or gas power pumping station. If electric pumping, this includes cost of power pumps and pumping equipments, electric prime movers used for operating such power pumps, together with switchboards and auxiliary electrical equipment, and power transmission equipment. If gas power pumping, this includes cost of

all gas engines and turbines used as prime movers for pumping equipment, the cost of all pumping equipment operated by gas power. This account includes all power transmission equipment such as shafting, belting, rope and cable drives, gearing, clutches, pulleys and idler wheels and auxiliary motors, hoists, cranes, blacksmiths' and machinists' tools, etc.

115—Collecting Aqueducts, Intakes and Supply Mains

Charge this account with the cost of all aqueducts, intakes and supply mains used for gathering and collecting water and transmitting the same from the source of supply to the pumping station. This includes the cost of masonry and concrete aqueducts and channels, piping and conduits, together with the necessary bracing, digging and repaving in connection therewith and all necessary valves, screens, wet wells, gratings, submerged and exposed cribs, intake towers, sluice-gates, etc.

116—Purification System

Charge this account with the cost of all apparatus and equipment used for purification of water. This includes settling basins, filter beds, mechanical filters and all auxiliary apparatus for purifying water, whether by plain sedimentation, sedimentation with coagulation, chemical treatment for softening and removal of organic or mineral impurities, together with any protecting structures erected in connection therewith.

120—Transmission Mains

Charge to this account the cost of all transmission mains used for delivering water from the pumping station to the distribution reservoirs or mains. This includes the cost of all trenching, placing transmission main pipe, special castings, lead packing, shut-offs, manholes, valves and the cost of filling trenches and restoring the surface of the street to its former condition or that required by the municipal authorities at the time such transmission main is installed.

125—Mains

Charge to this account the cost of all distribution mains in place. This includes all mains used in the distribution of water to the beginning of the service connections, including the cost of all trenching, placing distribution main pipe, special work and castings, lead packing, shut-offs, manholes, valves and the cost of filling trenches and restoring the surface of the ground to its former condition or that required by the municipal authorities at the time such main is installed.

126—Services

Charge to this account the cost of the water utility's property in services in or leading to the consumers' premises. This includes

the cost of material in place, the cost of trenching for placing services, service pipe, service boxes, stopcocks, etc., and the cost of filling trenches and restoring the surface to its proper condition. Where consumers are required to pay part or all of the cost of services, only that portion of the cost not chargeable to the consumers is chargeable to this account, and in all cases where only a portion of the cost of the services is chargeable to this account the entry thereto shall show the entire cost of the services as well as the cost charged to this account. Where services extending only from the main to the curb or to the lot line are placed before actually required for the purpose of supplying consumers, the entry of the cost should show that fact. Such services will be required to be separately reported in the annual report to the Commission.

127—Hydrants

Charge to this account the cost of water utility's property in all hydrants placed in the distribution system. This includes the cost of all material in place, the cost of trenching for placing hydrants, hydrant connections, etc., and the cost of filling trenches and restoring the surface to its proper condition.

128—Meters

Charge to this account the cost of water utility's property in all meters used in measuring water sold to consumers. This includes the cost of the first setting of the meters, including the first set of meter fittings and connections in the premises of the consumers, or such portion of the cost as is borne by the utility. The cost of changing the position of the meter or its removal should not be charged to this account.

129—Fire Cisterns, Basins, Fountains and Troughs

Charge this account with the cost of the utility's property in all fire cisterns, basins, fountains and troughs. This includes the cost of all masonry and concrete work in connection with the construction of any cisterns and basins and all foundations and settings for fountains and troughs, together with the cost of all materials used in construction, and digging and trenching in connection therewith, and restoring the pavement to its original condition or that required by municipal ordinances.

140—General Office Equipment

Charge to this account the cost of all equipment of the general office of the utility, embracing such items as office furniture and furnishings, movable safes, filing cases and devices, typewriters, adding machines, addressographs and sundry office equipment having an expectancy of life in service exceeding one year.

141—Miscellaneous Equipment

Charge to this account all equipment not includible in any of the preceding classified capital accounts, embracing such items as shop appliances, shop and laboratory tools, work tools and instruments, street department work tools and instruments, and other miscellaneous equipment.

142—Utility Equipment

Charge this account with the cost of all utility equipment. This includes wagons, drays, trucks, harnesses, horses, automobiles, bicycles, motorcycles, industrial tramways, etc.

145—Miscellaneous Construction and Equipment Expenditures

Accounts shall be opened as indicated below to which shall be charged all expenditures incurred during construction and before the operation of the utility of the character indicated by the title of the accounts. If expenditures are incurred for the service of engineers, superintendents and other technical skill of an advisory character during the process of construction and such items are not chargeable to any of the following accounts, there may be opened the account Engineering and Superintendence.

NOTE.—Auxiliary accounts.

Salaries during construction.

Office supplies and expenses during construction.

Stationery and printing during construction.

Legal expenses during construction.

Injuries and damages during construction.

Insurance during construction.

Taxes during construction.

Interest during construction.

Discount on bonds during construction.

Miscellaneous expenditures during construction.

146—Cost of Plant Purchased (in Lieu of Plant Constructed)

Charge to this account the cost of the plant purchased in case the plant of the utility is obtained by purchase instead of being constructed by it. The entry to this account should show with sufficient detail the name of the parties from whom purchased, the purchase price and all other facts pertinent to such sale, which details will be called for by the Commission.

147—Property in Other Departments

Charge to this account the cost of all property of the corporation coming within the definition of tangible property devoted to other than water operation.

150—Unfinished Plant Investment

Charge to this account the amounts expended under plant and equipment in process of construction under estimate or work orders, but not yet ready for service, including such proportion of plant supervision expenses, engineering expenses, tool expenses, supply

expenses and general expenses, as may be properly chargeable to the construction work included under this account. As soon as such work is completed the cost of same should be credited to this account and charged to the appropriate Plant Investment Account.

INCOME ACCOUNT

OPERATING REVENUES

501—Earnings from Commercial Sales

Credit this account with all revenue from water sales to commercial consumers, both where the revenue is dependent upon the quantity of water taken as recorded by meter and where such water is sold at flat rates and independent of the quantity taken. Commercial consumers, as referred to in this account, embrace residences, offices, apartment houses, retail commercial establishments, etc., where water is not used primarily for power or industrial purposes. Where, however, some manufacturing or industrial processes are performed in any residence, store or other point of commercial consumption, but such process being merely incidental to the broader use of the premises as a commercial consumer, the total consumption at such premises shall be credited to this account. When water is sold both by meter and flat rates, the earnings from each such subdivision shall be credited to subdivisions of this account and reported separately to the Commission as follows:

- a. Commercial Earnings—Flat Rate.
- b. Commercial Earnings—Metered.

Water sold to the municipality for use in public buildings and not included in the contract for hydrant rentals and other municipal uses, will be considered as Commercial Earnings.

Where it is the custom of the utility to charge a minimum amount when the consumption during the month is less than the prescribed amount, the total amount of such minimum charge shall be credited to this account or to its appropriate sub-account. Where it is the custom of the utility to grant a discount from the gross bill or to add a penalty to the bill when payment is not made on or before a prescribed date, such discounts or penalties shall be charged or credited to this account. Utilities desiring to do so may open sub-accounts to show the Minimum Bill and Discount or Penalty items.

502—Earnings from Industrial Sales

Credit this account with all earnings from the sale of water for power and industrial purposes to manufacturing and industrial establishments. Where water is sold at a different rate for any particular kind of industrial use, the earnings from such separate sources shall be credited to appropriate subdivisions of this account and reported separately to the Commission. Where water is sold both by meter and flat rates, the earnings from each such division shall be credited to subdivisions of this account and reported separately to the Commission as follows:

- a. Earnings from Industrial Sales—Flat Rate.
- b. Earnings from Industrial Sales—Metered.

Where it is the custom of the utility to charge a minimum amount in cases where the consumption during the month is less than a prescribed amount, the total amount of such minimum charge shall be credited to this account or to its appropriate sub-account. Where it is the custom of the utility to grant a discount from the gross bill or to add a penalty to the bill where payment is not made on or before a prescribed date, such discount or penalty shall be charged or credited to this account. Utilities desiring to do so may open sub-accounts to show the Minimum Bill and Discount or Penalty items.

503—Earnings from Municipal Hydrant Rentals

Credit to this account all revenues received from the municipality for hydrant service. Where the hydrant rental paid by the municipality includes the use of water for street sprinkling and flushing purposes, and such water not being separately metered, the total revenue collected under such contract for hydrant rental will be credited to this account.

504—Earnings from Sales for Street Sprinkling

Credit this account with all earnings from sales of water for street sprinkling, both to individuals and contractors engaged in sprinkling streets, parks and thoroughfares, and also with sales to the municipality, where such sprinkling is performed by the city.

505—Earnings from Sales to Municipal Departments

Credit this account with all earnings from the sale of water to municipal departments other than for street sprinkling, if such is performed by the municipality. This includes earnings from the sale of water for sewer and street flushing, street construction, filling fire cisterns and basins, etc., by the municipality. Where a special contract is entered into between the municipality and the utility for water service at public buildings, as schools, police and fire stations, city hall, etc., revenue collected under such contract will be credited to this account. A record should be kept also of the revenue received from each separate municipal department.

506—Profit on Merchandise Sales

Credit to this account the receipts derived from the sale of water appliances and plumbing fixtures used in the consumption and utilization of water. Profit, as used in this account, is defined as being the excess of the sales price over the cash cost, including the invoice cost, cost of handling, storage, etc., if such merchandise is passed through the stores department. Charge this account with all expenses for labor and material in connection with the sale of such appliances or merchandise. The net amount only, or the profit on merchandise sales, is to be carried to the Income Account. The credits and charges to this account shall be made in such a

manner as to admit of a detailed analysis when called for by the Commission.

NOTE.—Receipts from the sale of superseded apparatus, junk or salvage, are not to be credited to this account but to the *Depreciation Reserve*.

507—Profit on Piping and Connections

Credit this account with all earnings derived from piping and connection work performed by the utility. This includes earnings from services performed on the consumers' premises, such as piping the consumers' premises, connecting and disconnecting house piping and water fixtures, the re-location of piping or apparatus, and other plumbing and fixture work. If prospective consumers are charged for services performed by the water utility in connecting the house piping and plumbing with the service connection, or for laying such service piping, such earnings shall be credited to this account. Where the cost of laying the service connection is charged to the property owner, such work shall not be included in tangible capital. Charge to this account all expenses for labor and materials in connection with such operation, the net amount only, or the profit from such piping and connection work, being carried to the Income Account. The credits and charges to this account will be made in such a manner as to admit of a detailed analysis when called for by the Commission.

508—Miscellaneous Earnings from Operation

Credit to this account all earnings received from operating transactions not properly includible in the preceding accounts.

OPERATING EXPENSES

PUMPING

Steam Power Pumping

Operation

601—Superintendence

Charge to this account the total cost of superintendence of the steam power pumping plant. This account includes the salaries of superintendent of pumping plant, foreman, draftsmen, chemists and all clerical help upon records and accounts pertaining to steam power pumping, whether such services are performed at the general office or at the plant. Charge also with the proportion of the salaries of engineering staff assignable to the steam power pumping plant.

NOTE.—If water is also pumped by hydraulic, gas or electric power at the same station, the total cost of superintendence will be apportioned over the corresponding *Superintendence* accounts.

602—Pump Labor

Charge this account with the cost of all labor engaged in operating steam power pumping equipment. This includes such labor as that of chief engineer and assistants, engineers, oilers, wipers and all other employes whose duties concern the operation of steam power pumps. Exclude all maintenance labor.

NOTE.—If water is also pumped at the station by other than steam power, pump labor jointly incurred will be apportioned over the corresponding labor accounts in the respective groups of *Pumping* accounts.

603—Purification Labor

Charge this account with the cost of all labor engaged in the purification of water. This includes the salaries and wages of all employes engaged in operating purification equipment, cleaning basins, removing ice, etc., and all processes of water purification brought about by plain sedimentation, sedimentation with coagulation, treatment for softening, removal of iron, algae, etc., purification by slow and rapid sand filtration and other means. Exclude maintenance labor.

NOTE.—If water is also pumped by other than steam power, labor charges jointly incurred will be apportioned accordingly over the respective groups of *Pumping* accounts.

604—Miscellaneous Labor

Charge this account with the salaries and wages of all employes in and about the steam power pumping plant engaged in operating such plant, including watchmen, labor cleaning buildings and yards, janitors, messengers and general labor not charge-

able to any of the foregoing steam power pumping operating labor accounts. Exclude maintenance labor.

NOTE.—If water is also pumped by other than steam power, labor charges jointly incurred will be apportioned accordingly over the respective groups of *Pumping* accounts.

605—Steam

The total expense of generating steam is to be determined through a group of accounts referred to as the Steam Generation Account. Where a utility is furnishing but one public service from its boiler plant, the details of the steam expense will appear in the Steam Generation Account, and the total expense as shown therein will be carried to this account in the Pumping group of accounts and so shown in the annual report to the Commission. Where, however, two or more utilities or services are making a demand upon the same boiler equipment, the total steam expense will be apportioned over the departments so using the steam equipment, and the apportioned share of the steam expense incurred for the benefit of steam power pumping will be carried to this account. If steam is used at the pumping station for other purposes than the pumping of water, the expense for steam will be further apportioned, charging the appropriate expense accounts.

606—Lubricants

Charge to this account the cost of all lubricants for steam power pumping equipment and machinery connected therewith in the steam power pumping plant. This includes cylinder oil, machine oil, graphite and other lubricants but does not include wagon grease or oil for lanterns.

607—Purification Supplies and Expenses

Charge this account with the cost of all supplies consumed and expenses incurred in the purification of water pumped by steam power, including the cost of chemicals, coagulants and other supplies used in the process of water purification, softening, removal of iron, algae, etc., by the various purification methods. Exclude all maintenance supplies.

NOTE.—If water is also pumped at the plant by other than steam power, the cost of purification supplies and expenses will be apportioned over the corresponding accounts in the different groups of *Pumping* accounts.

608—Miscellaneous Pumping Station Supplies and Expenses

Charge this account with all operating supplies and expenses incurred in the pumping of water by steam power, not chargeable to any of the preceding accounts. This includes such items as waste, packing, wipers, hand tools, gas and electricity for lighting, heating and cleaning pumping station, laboratory apparatus and supplies, ice, water for general use and fire protection, and all

items of similar nature. Charge this account also with stationery, telephones, etc., if it is desired to distribute such expenses.

NOTE.—Where water is also pumped by other than steam power, the total cost of *Miscellaneous Pumping Station Supplies and Expenses* should be apportioned over the corresponding accounts in the respective groups of *Pumping* accounts.

Maintenance

611—Repairs of Steam Power Pumping Equipment

Charge this account with all expenses for labor and material used in repairing steam power pumping equipment. This includes repairs both to steam pumps where the steam and water cylinders are placed in the same machine, and where the power pump is distinct from the steam prime mover, either reciprocating engines or turbines. Do not charge this account with repairs to power transmission equipment. Exclude operating labor.

NOTE.—Utilities using power pumps operated by steam prime movers which are distinct from the pumps, may subdivide this account as follows:

- a. Maintenance of Pumps.
- b. Maintenance of Steam Prime Movers.

612—Repairs of Pumping Station Auxiliary Equipment

Charge this account with all expenses for labor and material incurred in making repairs to the steam power pumping station auxiliary equipment. This includes repairs to condensers, vacuum pumps, oiling systems, power transmission equipment such as shafting, belting, rope and cable drives, clutches, pulleys and idler wheels, and auxiliary motors, hoists, cranes, blacksmiths' and machinists' tools, and all other accessory equipment other than hand tools, the cost of which is to be included in Operating Expenses. Exclude operating labor.

NOTE.—If water is also pumped at the station by other than steam power, the cost of maintaining pumping station auxiliary equipment used for the joint benefit of the different methods of pumping will be apportioned over the appropriate *Maintenance* accounts of the respective classes of *Pumping* accounts.

613—Repairs of Surface Source of Supply

Charge this account with all expenses for labor and material incurred in making repairs to the surface source of water supply. This includes repairs to river and lake sources, impounding reservoirs, artificial lakes and ponds, etc., together with repairs to impounding embankments, channels, waste-weirs, gates, valves, gate structures, and repairs to works for utilizing the flow from springs. Exclude operating labor.

NOTE.—If water is also pumped at the station by other than steam power, the cost of maintaining the surface source of supply used for the joint benefit of the different methods of pumping will be apportioned over the appropriate *Maintenance* accounts of the respective classes of *Pumping* accounts.

614—Repairs of Ground Source of Supply

Charge this account with all expenses for labor and material incurred in making repairs to the ground source of water supply. This includes repairs to large open wells, shallow tubular wells, deep artesian wells, etc., and includes the removal of sand or corroded material, and repairs to well casing, repairs to filter galleries, etc. Exclude operating labor.

NOTE.—If water is also pumped at the station by other than steam power, the cost of maintaining the ground source of supply used for the joint benefit of the different methods of pumping will be apportioned over the appropriate *Maintenance* accounts of the respective classes of *Pumping* accounts.

615—Repairs of Collecting Aqueducts, Intakes and Supply Mains

Charge this account with all expenses for labor and material incurred in making repairs to the collecting aqueducts, intakes and supply mains between the source of supply and the pumping equipment at the station. This includes the periodical scraping to remove organic growth and incrustation, repairs to masonry of aqueducts and channels, seeking and repairing leaks, repairing pipes and removing and replacing worn sections and fittings, calking, protecting exposed parts of undermined supply mains, changing the position of or replacing such mains with the necessary bracing and digging in connection therewith; repaving, and repairs to valves, hatch boxes, manholes, etc.; repairs to regulating valves, screens and wet wells; repairs and renewals of grating, fish screens, and repairs to submerged and exposed cribs, intake towers and other structures, sluice-gates, etc. Exclude operating labor.

NOTE.—If water is also pumped at the station by other than steam power, the cost of maintaining collecting aqueducts, intakes and supply mains which convey water for the different methods of pumping will be apportioned over the appropriate *Maintenance* accounts of the respective classes of *Pumping* accounts.

616—Repairs of Purification Equipment

Charge this account with all expenses for labor and material incurred in making repairs to the purification equipment. This includes repairs to settling basins, renewing sand, washing sand, and repairs to all equipment used in the purification of water by plain sedimentation, sedimentation with coagulation, treatment for softening and removal of iron, algae, etc., purification by slow and rapid sand filtration, mechanical filters, etc. Exclude operating labor.

NOTE.—If water is also pumped at the station by other than steam power, the cost of maintaining purification equipment used in purifying all water pumped will be apportioned over the appropriate *Maintenance* accounts of the respective classes of *Pumping* accounts.

617—Repairs of Purification Buildings, Fixtures and Grounds

Charge this account with all expenses for labor and material incurred in repairing buildings, fixtures and grounds, including

permanent apparatus foundations used exclusively for the purification of water. Exclude operating labor.

NOTE.—If water is also pumped at the station by other than steam power, the total cost of maintaining purification buildings, fixtures and grounds used in the purification of all water pumped will be apportioned accordingly over the appropriate *Maintenance* accounts of the respective groups of *Pumping* accounts.

618—Repairs of Pumping Station Buildings, Fixtures and Structures

Charge this account with all expenses for labor and material incurred in repairing buildings, fixtures and grounds, including permanent apparatus foundation used exclusively for the pumping of water by steam power. Exclude operating labor.

NOTE.—If water is also pumped at the station by other than steam power and the equipment for such other methods of pumping is housed in the same buildings and structures, the total cost of maintaining such jointly used buildings, fixtures and grounds will be apportioned over the appropriate *Maintenance* accounts of the respective groups of *Pumping* accounts.

Hydraulic Power Pumping

Operation

625—Superintendence

Charge to this account the total cost of superintendence of the hydraulic power pumping plant. This account includes the salaries of the superintendent of pumping plant, foremen, draftsmen, chemists and all clerical help upon records and accounts pertaining to hydraulic power pumping, whether such services are performed at the general office or at the plant. Charge also with the proportion of salaries of engineering staff assignable to the hydraulic power pumping plant.

NOTE.—If water is also pumped by other than hydraulic power at the same station, the total cost of superintendence will be apportioned over the corresponding *Superintendence* accounts in the respective groups of *Pumping* accounts.

626—Hydraulic Labor

Charge this account with the salaries and wages of all employes operating the hydraulic works, including hydraulic foremen, gatemen, wheelmen, canal men, patrollers of reservoirs, dams and channels and all other employes whose duties concern the operation of hydraulic power equipment. Exclude maintenance labor.

627—Pump Labor

Charge this account with the cost of all labor engaged in operating the hydraulic power pumping equipment. This includes such labor as that of foremen and assistants, oilers, wipers and all other employes whose duties concern the operation of such hydraulic power pumps. Exclude all maintenance labor.

NOTE.—If water is also pumped at the station by other than hydraulic power, pump labor jointly incurred will be apportioned over the corresponding accounts in the respective groups of *Pumping* accounts.

628—Purification Labor

Charge this account with the cost of all labor engaged in the purification of water. This includes the salaries and wages of all employes engaged in operating purification equipment, cleaning basins, removing ice, scraping sand, etc., and all processes of water purification brought about by plain sedimentation, sedimentation with coagulation, treatment for softening, removing iron, algae, etc., purification by slow and rapid sand filtration and other means. Exclude maintenance labor.

NOTE.—If water is also pumped at the station by other than hydraulic power, labor charges jointly incurred in the purification of water will be apportioned accordingly over the appropriate accounts in the respective groups of *Pumping* accounts.

629—Miscellaneous Labor

Charge this account with the salaries and wages of all employes in and about the hydraulic power pumping plant engaged in operating such plant, including watchmen, labor cleaning buildings and yards, janitors, messengers and general labor not chargeable to any of the foregoing hydraulic power pumping operating labor accounts. Exclude maintenance labor.

NOTE.—If water is also pumped by other than hydraulic power, labor charges jointly incurred will be apportioned accordingly over the appropriate classes of *Pumping* accounts.

630—Hydraulic Power Purchased

Charge to this account the cost of all water purchased for the purpose of operating the hydraulic power pumping equipment. It is desired that this account shall be so kept as to indicate the name of the company or individual from whom such water was purchased, the amount of water power purchased and the terms under which it was purchased.

631—Lubricants

Charge to this account the cost of all lubricants for hydraulic power pumping equipment and all machinery connected therewith in the hydraulic power pumping plant. This includes machine oil, pump oil, graphite and other lubricants, but does not include wagon grease or oil for lanterns.

NOTE.—If water is also pumped at the plant by other than hydraulic power, the total cost of lubricants will be apportioned over the corresponding accounts in the respective groups of *Pumping* accounts.

632—Purification Supplies and Expenses

Charge this account with the cost of all supplies consumed and expenses incurred in the purification of water pumped by hydraulic power, including the cost of chemicals, coagulants and other supplies used in the process of water purification, softening.

removal of iron, algae, etc., by the various purification methods. Exclude all maintenance supplies and expenses.

NOTE.—If water is also pumped at the plant by other than hydraulic power, the cost of purification supplies and expenses will be apportioned over the corresponding accounts in the respective groups of *Pumping* accounts.

633—Miscellaneous Pumping Station Supplies and Expenses

Charge this account with all operating supplies and expenses incurred in the pumping of water by hydraulic power not chargeable to any of the preceding accounts. This includes such items as waste packing, wipers, hand tools, gas and electricity for lighting, heating and cleaning pumping station, laboratory apparatus and supplies, ice, water for general use and fire protection, and all other items of similar nature. Charge this account also with stationery, telephones, etc., if it is desired to distribute such expenses.

NOTE.—Where water is also pumped at the station by other than hydraulic power, the total cost of miscellaneous pumping station supplies and expenses will be apportioned over the corresponding accounts in the respective groups of *Pumping* accounts.

Maintenance

635—Repairs of Dams, Canals and Flumes

Charge to this account all expenses for labor and materials incurred in repairing hydraulic structures. Such structures include dams, embankments, etc., for impounding water, and all appurtenant gates, valves, weirs, waste-ways, canals, conduits, and other channels (including riprap, lining walls, etc.), pipe lines, flumes, aqueducts and supporting trestles, forebays and appurtenant sieves and grids, waste-ways, etc., all viaducts, bridges, foot-bridges, etc., over and accessory to or necessitated by such canals, aqueducts and flumes, and also the waste-ways conducting the water from the outlet of the draft tube to the point of final discharge. Exclude operating labor.

636—Repairs of Turbines and Water Wheels

Charge to this account all expenses for labor and supplies incurred in repairing the hydraulic motive power, including head gates, pen-stocks, wheel gates, wheel governors, valves, turbines, water wheels, draft tubes, and connections. The maintenance of power transmission apparatus as shafts, belts, etc., will not be charged to this account. Exclude operating labor.

637—Repairs of Hydraulic Power Pumping Equipment.

Charge this account with all expenses for labor and material incurred in repairing hydraulic power pumps and hydraulic power pumping equipment. Do not charge this account with repairs to

hydraulic power transmission equipment. Exclude operating labor.

638—Repairs of Pumping Station Auxiliary Equipment

Charge this account with all expenses for labor and material incurred in making repairs to the hydraulic power pumping station auxiliary equipment. This includes repairs to oiling systems, power transmission equipment such as shafting, belting, rope and cable drives, clutches, pulleys, idler wheels, and auxiliary motors, hoists, cranes, blacksmiths' and machinists' tools, and all other accessory equipment other than hand tools, the cost of which is to be included in operating expenses. Exclude operating labor.

NOTE.—If water is also pumped at the station by other than hydraulic power, the cost of maintaining pumping station auxiliary equipment used for the joint benefit of the different methods of pumping will be apportioned over the appropriate *Maintenance* accounts of the respective classes of *Pumping* accounts.

639—Repairs of Surface Source of Supply

Charge this account with all expenses for labor and materials incurred in making repairs to the surface source of water supply. This includes repairs to river and lake sources, impounding reservoirs, artificial lakes and ponds, etc., together with repairs to impounding embankments, channels, waste-weirs, gates, valves, gate structures and repairs to works for utilizing the flow from springs. Exclude operating labor.

NOTE.—If water is also pumped at the station by other than hydraulic power, the cost of maintaining the surface source of supply used for the joint benefit of the different methods of pumping will be apportioned over the appropriate *Maintenance* accounts of the respective classes of *Pumping* accounts.

640—Repairs of Ground Source of Supply

Charge this account with all expenses for labor and material incurred in making repairs to the ground source of water supply. This includes repairs to large open wells, shallow tubular wells, deep artesian wells, etc., and includes the removal of sand or corroded material and repairs to well casings, repairs to filter galleries, etc. Exclude operating labor.

NOTE.—If water is also pumped at the station by other than hydraulic power, the cost of maintaining the ground source of water supply used for the joint benefit of the different methods of pumping will be apportioned over the appropriate *Maintenance* accounts of the respective classes of *Pumping* accounts.

641—Repairs of Collecting Aqueducts, Intakes and Supply Mains

Charge this account with all expenses for labor and material incurred in making repairs to collecting aqueducts, intakes and supply mains between the source of supply and the hydraulic power pumping equipment at the station. This includes the periodical scraping to remove organic growth and incrustation.

repairs to masonry of aduequets and channels, seeking and repairing leaks, repairing pipes and removing and replacing worn sections and fittings, calking, protecting exposed parts of undermined supply mains, changing the position of or replacing such mains with the necessary bracing and digging in connection therewith; repaving, and repairs to valves, hatch boxes, manholes, etc.; repairs to regulating valves, screens and wet wells; repairs and renewals of gratings, fish screens and repairs to submerged and exposed cribs, intake towers, and other structures, sluice-gates, etc. Exclude operating labor.

NOTE.—If water is also pumped at the station by other than hydraulic power, the cost of maintaining collecting aqueducts, intakes and supply mains which convey water for the different methods of pumping will be apportioned over the appropriate *Maintenance* accounts of the respective classes of *Pumping* accounts.

642—Repairs of Purification Equipment.

Charge this account with all expenses for labor and material incurred in making repairs to the purification equipment. This includes repairs to settling basins, renewing sand, washing sand, and repairs to all equipment used in purification of water by plain sedimentation, sedimentation with coagulation, treatment for softening and removal of iron, algae, etc., purification by slow and rapid sand filtration, mechanical filters, etc. Exclude operating labor.

NOTE.—If water is also pumped at the station by other than hydraulic power, the cost of maintaining purification equipment used in the purifying of all water pumped will be apportioned over the appropriate *Maintenance* accounts of the respective classes of *Pumping* accounts.

643—Repairs of Purification Buildings, Fixtures and Grounds

Charge this account with all expenses for labor and material incurred in repairing buildings, fixtures and grounds, including permanent apparatus foundations used exclusively for the purification of water. Exclude operating labor.

NOTE.—If water is also pumped at the station by other than hydraulic power, the total cost of maintaining purification buildings, fixtures and grounds used in the purification of all water pumped, will be apportioned accordingly over the appropriate *Maintenance* accounts of the respective groups of *Pumping* accounts.

644—Repairs of Pumping Station Buildings, Fixtures and Grounds

Charge this account with all expenses for labor and material incurred in repairing buildings, fixtures and grounds, including permanent apparatus foundations, used exclusively for the pumping of water by hydraulic power. Exclude operating labor.

NOTE.—If water is also pumped at the station by other than hydraulic power and the equipment for such other method of pumping is housed in the same buildings and structures, the total cost of maintaining such jointly used buildings, fixtures and grounds will be apportioned over the appropriate *Maintenance* accounts of the respective groups of *Pumping* accounts.

Electric or Gas Power Pumping

NOTE.—If water is pumped by electric power, use this classification; or, if water is pumped by gas power, use this classification, designating same by erasing the word "electric" or "gas" as used. If water is pumped by both electric and gas power, use this classification for each, designating the same under same code numbers with the addition after code number of "E" for electric power, and "G" for gas power.

Operation

651—Superintendence

Charge to this account the total cost of superintendence of the electric or gas power pumping station. This includes the salaries of the superintendent of the pumping station, foremen, draftsmen, chemists and all clerical help upon records and accounts pertaining to electric or gas power pumping whether such services are performed at the general office or at the station. Charge also with the proportion of salaries of the engineering staff assignable to the electric power pumping station.

NOTE.—If water is also pumped at the station by other than electric or gas power, the total cost of superintendence will be apportioned over the corresponding accounts in the respective groups of *Pumping* accounts.

652—Pump Labor

Charge this account with the cost of all labor engaged in operating electric or gas power pumping equipment. This includes such labor as that of pump foremen and assistants, oilers, wipers, motor attendants and other electrical or gas labor and all other employes whose duties concern the operation of the electric or gas power pumps. Exclude all maintenance labor.

NOTE.—If water is also pumped at the station by other than electric or gas power, pump labor jointly incurred will be apportioned over the corresponding accounts in the respective groups of *Pumping* accounts.

653—Purification Labor

Charge this account with the cost of all labor engaged in the purification of water. This includes the salaries and wages of all employes engaged in operating purification equipment, cleaning basins, removing ice, etc., and all processes of water purification brought about by plain sedimentation, sedimentation with coagulation, treatment for softening, removal of iron, algae, etc., purification by slow and rapid sand filtration and other means. Exclude maintenance labor.

NOTE.—If water is also pumped at the plant by other than electric or gas power, labor charges jointly incurred in purifying all water will be apportioned accordingly over the appropriate accounts in the respective groups of *Pumping* accounts.

654—Miscellaneous Labor

Charge this account with the salaries and wages of all employes in and about the electric or gas power pumping plant

engaged in operating such plant, including watchmen, labor cleaning buildings and yards, janitors, messengers and general labor not chargeable to any of the foregoing electric or gas power pumping operating labor accounts. Exclude maintenance labor.

NOTE.—If water is also pumped by other than electric or gas power, labor charges jointly incurred will be apportioned accordingly over the appropriate classes of *Pumping* accounts.

655—Electric Current or Gas Purchased

Charge this account with the cost of all electric current or gas purchased for the operation of electric or gas power pumps. It is desired that the account shall be so kept as to indicate the name of the company or individual from whom such electric energy or gas was purchased, the amount purchased and terms under which it was purchased.

656—Lubricants

Charge to this account the cost of all lubricants for electric or gas power pumping equipment and for all machinery connected therewith in the electric or gas power pumping station. This includes pump oil, machine oil, motor oil, graphite and other lubricants, but does not include wagon grease or oil for lanterns.

NOTE.—If water is also pumped at the station by other than electric or gas power, the total cost of lubricants used in the station will be apportioned over the corresponding accounts in the respective groups of *Pumping* accounts.

657—Purification Supplies and Expenses

Charge this account with the cost of all supplies consumed and expenses incurred in the purification of water pumped by electric or gas power, including the cost of chemicals, coagulants and other supplies used in the processes of water purification, softening, removal of iron, algae, etc., by the various purification methods. Exclude all maintenance supplies.

NOTE.—If water is also pumped at the station by other than electric or gas power, the cost of purification supplies and expenses will be apportioned over the corresponding accounts in the respective groups of *Pumping* accounts.

658—Miscellaneous Pumping Station Supplies and Expenses

Charge this account with all operating supplies and expenses incurred in pumping water by electric or gas power not chargeable to any of the preceding accounts. This includes such items as waste, packing, wipers, hand tools, gas and electricity for lighting, heating and cleaning pumping station, laboratory apparatus and supplies, water for general use and fire protection and all items

of a similar nature. Charge this account also with stationery, telephones, etc., if it is desired to distribute such expenses.

NOTE.—Where water is also pumped at the station by other than electric or gas power, the total cost of miscellaneous pumping station supplies and expenses should be apportioned over the corresponding accounts in the respective groups of *Pumping* accounts.

Maintenance

661—Repairs of Electric or Gas Power Pumping Equipment

Charge this account with all expenses for labor and material incurred in repairing electric or gas power pumps and pumping equipment. Do not charge this account with repairs to power transmission equipment. Exclude operating labor.

NOTE.—Utilities using power pumps operated by electric or gas prime movers which are distinct from the pumps may subdivide this account as follows:

- a. Maintenance of Pumps.
- b. Maintenance of Electric or Gas Prime Movers.

662—Repairs of Pumping Station Auxiliary Equipment.

Charge this account with all expenses for labor and material incurred in making repairs to the electric or gas power pumping station auxiliary equipment. This includes repairs to oiling systems, power transmission equipment such as shafting, belting, rope and cable drives, clutches, pulleys and idler wheels, and auxiliary motors, hoists, cranes, blacksmiths' and machinists' tools, switchboards and other auxiliary electric or gas equipment, and all other accessory equipment other than hand tools, the cost of which is to be included in operating expenses. Do not charge this account with repairs to electric prime motive power or gas apparatus. Exclude operating labor.

NOTE.—If water is also pumped at the station by other than electric or gas power, the cost of maintaining pumping station auxiliary equipment used for the joint benefit of the different methods of pumping will be apportioned over the appropriate *Maintenance* accounts of the respective classes of *Pumping* accounts.

663—Repairs of Surface Source of Supply

Charge this account with all expenses for labor and material incurred in making repairs to the surface source of water supply. This includes repairs to river and lake sources, impounding reservoirs, artificial lakes and ponds, etc., together with repairs to impounding embankments, channels, waste-weirs, gates, valves, gate structures, and repairs to works for utilizing the flow from springs. Exclude operating labor.

NOTE.—If water is also pumped at the station by other than electric or gas power, the cost of maintaining the surface source of supply used for the joint benefit of the different methods of pumping will be apportioned over the appropriate *Maintenance* accounts of the respective classes of *Pumping* accounts.

664—Repairs of Ground Source of Supply

Charge this account with all expenses for labor and material incurred in making repairs to the ground source of supply. This includes repairs to large open wells, shallow tubular wells, deep artesian wells, etc., and includes the removal of sand or corroded material and repairs to well casing, repairs to filter galleries, etc. Exclude operating labor.

NOTE.—If water is also pumped at the station by other than electric or gas power, the cost of maintaining the ground source of supply used for the joint benefit of the different methods of pumping will be apportioned over the appropriate *Maintenance* accounts of the respective classes of *Pumping* accounts.

665—Repairs of Collecting Aqueducts, Intakes and Supply Mains

Charge this account with all expenses for labor and material incurred in making repairs to the collecting aqueducts, intakes and supply mains between the source of supply and the electric or gas pumping equipment at the station. This includes the periodical scraping to remove organic growth and incrustation, repairs to masonry of aqueducts and channels, seeking, and repairing leaks, repairing pipes and removing and replacing worn sections and fittings, calking, protecting exposed parts of undermined supply mains, changing the position of or replacing such mains with the necessary bracing and digging in connection therewith; repaving, and repairs to valves, hatch boxes, manholes, etc.; repairs to regulating valves, screens and wet wells; repairs and renewals of gratings, fish screens, and repairs to submerged and exposed cribs, intake towers and other structures, sluice-gates, etc. Exclude operating labor.

NOTE.—If water is also pumped at the station by other than electric or gas power, the cost of maintaining collecting aqueducts, intakes and supply mains which convey water for the different methods of pumping will be apportioned over the appropriate *Maintenance* accounts of the respective classes of *Pumping* accounts.

666—Repairs of Purification Equipment

Charge this account with all expenses for labor and material incurred in making repairs to the purification equipment at the electric or gas power pumping station. This includes repairs to settling basins, washing sand, renewing sand, and repairs to all equipment used in the purification of water by plain sedimentation, sedimentation with coagulation, treatment for softening, and removal of iron, algae, etc., purification by slow and rapid sand filtration, etc. Exclude operating labor.

NOTE.—If water is also pumped at the station by other than electric or gas power, the cost of maintaining purification equipment used in purifying all water pumped will be apportioned over the appropriate *Maintenance* accounts of the respective classes of *Pumping* accounts.

667—Repairs of Purification Buildings, Fixtures and Grounds

Charge this account with all expenses for labor and material incurred in repairing buildings, fixtures and grounds, including permanent apparatus foundations, used exclusively for the purification of water. Exclude operating labor.

NOTE.—If water is also pumped at the station by other than electric or gas power, the total cost of maintaining purification buildings, fixtures and grounds used in the purification of all water pumped will be apportioned accordingly over the appropriate *Maintenance* accounts of the respective groups of *Pumping* accounts.

668—Repairs of Pumping Station Buildings, Fixtures and Grounds

Charge this account with all expenses for labor and material incurred in repairing buildings, fixtures and grounds, including permanent apparatus foundations, used exclusively for the pumping of water by electric power. Exclude operating labor.

NOTE.—If water is also pumped at the station by other than electric or gas power, and the equipment for such other method of pumping is housed in the same buildings and structures, the total cost of maintaining such jointly used buildings, fixtures and grounds will be apportioned over the appropriate *Maintenance* accounts of the respective groups of *Pumping* accounts.

GRAVITY SUPPLY

680—Superintendence

Charge to this account the total cost of superintendence of the gravity supply system.

This account includes the salaries of superintendent of the gravity system, foreman, draftsman, chemist, and all clerical help upon the records and accounts, pertaining to the gravity system, whether such services are performed at the general office or out upon the supply system. Also that proportion of the salaries of the engineering staff assignable to the gravity supply system.

NOTE.—If water is also furnished by other than gravity system, the total cost of superintendence will be apportioned over the corresponding *Superintendence* accounts.

681—Gravity Supply Labor

Charge to this account the cost of all labor engaged in patrolling and inspecting the water supply properties, including the caretaking and guarding the drainage area, locating and clearing trouble at intake, removal of sand and corroded material from aqueducts, periodical scraping to remove growth and incrustation, etc.

682—Purification Labor

Charge this account with the cost of all labor engaged in the purification of water. This includes the salaries and wages of all

employees engaged in operating purification equipment, cleaning basins, removing ice, etc., and all processes of water purification.

NOTE.—If water is also furnished by other than gravity supply, the total expense of purification labor will be apportioned over the corresponding accounts of the respective water supply departments. Exclude maintenance labor.

683—Miscellaneous Labor

Charge this account with the salaries and wages of all employes about the gravity supply system not chargeable to any of the foregoing operating labor accounts.

NOTE.—If water is also furnished by other than gravity supply, labor charges jointly incurred shall be apportioned over the other classes of water supply accounts.

684—Purification Supplies and Expenses

Charge this account with the cost of all supplies consumed and expenses incurred in the purification of water furnished by gravity supply, including all chemicals, etc., and other supplies used in the various purification methods. Exclude maintenance supplies.

NOTE.—If water is also furnished by other than gravity supply, the cost of purification supplies and expenses shall be apportioned over the corresponding accounts of water supply.

685—Gravity Supply System Supplies and Expenses

Charge to this account all operating supplies and expenses incurred in furnishing water by gravity supply, not chargeable to any of the preceding accounts. This includes waste, packing, hand tools, gas and electricity for lighting the supply structures, heating and cleaning structures, laboratory supplies, and all similar items.

NOTE.—When water is furnished by other than gravity supply the total cost of supplies and expense herein enumerated shall be apportioned over the corresponding accounts of water supply.

Maintenance

690—Repairs to Water Supply Structures

Charge to this account all expenses for labor and material incurred in repairing buildings and structures used by gravity supply; also repairs to structures devoted to the purification of water. Exclude operating labor.

NOTE.—If water is also supplied by other than gravity supply the cost of repairs of maintenance shall be apportioned over the corresponding appropriate maintenance accounts.

691—Repairs to Surface Source of Supply

Charge to this account all expenses for labor and material incurred in making repairs to surface source of water supply.

NOTE.—If water is also supplied by other than gravity supply the cost of repairs shall be apportioned over the corresponding appropriate maintenance accounts. Repairs to structures of the source of water supply shall not be charged to this account, but to account *Repairs to water Supply Structures*.

692—Repairs to Ground Source of Supply

Charge to this account all expenses for labor and material incurred in making repairs to ground source of water supply. This includes open wells, shallow tubular wells, deep artesian wells, well casings, filter galleries, etc.; also supply mains between source of supply and distribution storage reservoirs.

NOTE.—If water is also supplied by other than gravity supply the cost of repairs shall be apportioned over the corresponding appropriate *Maintenance* accounts. Repairs to structures of the source of water supply shall not be charged to this account, but to the account *Repairs to Water Supply Structures*.

693—Repairs to Purification Equipment

Charge to this account all expenses for labor and material incurred in making repairs to the purification equipment.

This includes repairs to settling basins, receiving sand, washing sand, and all equipment in the purification of water by any process. Exclude operating labor.

NOTE.—If water is also supplied by other than gravity supply, the cost of repairs shall be apportioned over the corresponding appropriate *Maintenance* accounts.

WATER PURCHASED

(In Lieu of Water Pumped)

695—Commercial Water Purchased

Charge this account with the cost of water purchased for the purpose of redistribution and sale. Accounts are to be opened for each company or individual from whom such water is purchased, the account showing the name of the selling company or individual, the rate and the total cost of such water, and such details will be called for in the annual report to the Commission.

DISTRIBUTION

Operation

701—Wages

(a) Superintendence

Charge to this account salaries of superintendent, assistants and clerks; also that portion of the salaries of the engineering staff of the company assignable to the distribution system.

(b) Wages

Labor under operations not elsewhere provided for.

702—Patrolling Storage Facilities

Charge this account with the salaries and wages of all employes engaged in patrolling the distribution storage facilities. This includes the wages of the employes stationed at the distribution storage reservoirs, inspection of tanks and stand pipes, etc. Exclude maintenance labor.

703—Labor Removing and Resetting Meters

Charge this account with all operating labor employed in removing and resetting meters on the premises of the consumers and placing meter connections in the course of the regular and periodical inspection of such meters. Where such work is performed by regular meter maintenance men, their time should be apportioned accordingly. Exclude maintenance labor.

NOTE.—The cost of the original setting of each meter including one set of connections will be charged to the construction account *Meters* if it is the policy of the utility to capitalize such original setting.

704—Meter and Fittings Department Labor

Charge this account with all operating labor employed in the meter shop and fittings department. This includes the salaries and wages of meter shop clerks, employes keeping shop records and all operating labor in the meter shop or department not properly chargeable to the accounts Labor Removing and Resetting Meters and Maintenance of Meters. Exclude maintenance labor.

705—Meter and Fittings Department Supplies and Expenses

Charge this account with all supplies consumed and expenses incurred in the operation of the meter and fittings department. Expenses, such as light, fuel, gas, electricity and water used for operating machinery and for testing in this department, and hand tools of the workmen will be charged to this account. This account should also include all expenses connected with the meter and fit-

tings department not included in the accounts Meters and Fittings Department Labor and Labor Removing and Resetting Meters. Exclude maintenance supplies and expenses.

706—Street Department Labor

Charge this account with all operating labor employed in the street department. This includes the salaries and wages of employes engaged in inspecting the distribution system, flushing mains and hydrants, pumping out hydrants, taking street pressure, repairing street department operating tools, clerical salaries for the street department and miscellaneous street department operating labor. Exclude maintenance labor.

707—Street Department Supplies and Expenses

Charge this account with all operating supplies and expenses of the street department. This includes tools used in such department and supplies used by street department employees, office supplies and expenses of such department and miscellaneous street department supplies. Exclude maintenance supplies and expenses.

708—Miscellaneous Expenses and Supplies

Charge this account with all labor and material required for adjusting house piping, plumbing and water fixtures, including the cost of any new appliances or devices put in to better the service and not properly chargeable to repairs, investigating reports of poor service or large bills, including inspecting and testing of house plumbing, labor changing meters for request tests and inspecting new plumbing, including car fare, meals, etc., of employes engaged in such work.

NOTE.—Repairing meters will be charged to the account *Maintenance of Meters*.

Maintenance

710—Repairs of Transmission Mains

Charge this account with all expenses for labor and material incurred in repairing, overhauling, changing position of or replacing transmission mains between the pumping station and distribution reservoirs, tanks, etc. This account covers such items as seeking and repairing leaks, repairing pipes and removing and replacing worn sections and fittings, calking, protecting exposed parts of undermined mains, digging and bracing in connection with such work, repaving, and repairing manholes, etc., together with all materials and supplies consumed in thawing pipes and scraping to remove incrustations. Credit the proper stock account with store room value of the materials charged to this account.

711—Repairs of Reservoirs, Tanks and Standpipes

Charge this account with all expenses for labor and material in repairing distribution reservoirs, tanks and standpipes. This includes repairs to masonry and linings due to settlement of underlying material, frost action, or from other causes; calking and repairing with cement grouting, asphalt or other water proof material; painting and calking standpipes and tanks, replacing parts due to decay or excessive corrosion or electrolysis, and replacement of hoops, repairs to valves, etc.

712—Repairs of Distribution Mains

Charge this account with all expenses for labor and material used in repairing, overhauling, changing position of or replacing distribution mains. This account covers such items as seeking and repairing leaks, repairing pipes or removing and replacing worn sections and fittings, calking, protecting exposed parts of undermined mains, digging and bracing in connection with such work, repaving, repairing manholes, and the cost of steam, electricity and other supplies used and expenses incurred in thawing such mains and removing incrustations. Credit the proper stock account with the store room value of the pipes and fittings charged to this account.

713—Repairs of Services

Charge this account with all expenses for labor and materials incurred in repairing, overhauling and changing position of water service connections. This covers such expenses as seeking and repairing leaks, cleaning and scraping out service pipes; repairing and renewing service pipe connections to meters, including stop cocks, service boxes and the cost of repairing the same. Charge this account also with the cost of changing and extending old service pipes to put meters in better location, and the expense for materials and supplies incurred in thawing services. Extending new services to give better location for meters will be charged to the construction account Services.

714—Repairs of Meters

Charge this account with all expenses for labor and material in repairing water meters. This includes readjusting, painting, replacing worn gears, wearing parts and dials, testing and repairing old meters, repairing and replacing connections, meter fittings, etc., meter unions and cocks and changing meters for routine tests, etc.

NOTE.—The average cost of one set of meter connections should be charged to the construction account *Meters* if it is the policy of the utility to capitalize the cost of such original setting.

715—Repairs of Hydrants

Charge this account with all expenses for labor and materials incurred in repairing hydrants. This includes repairs and renewals

of parts, including digging and filling in connection with such repairs, painting hydrants, replacing worn fittings, protecting exposed parts of undermined hydrants and connections, and changing location of hydrants.

716—Repairs of Fire Cisterns and Basins

Charge this account with all expenses for labor and material in repairing fire cisterns and basins in the distribution system. This includes repairs to masonry and lining due to settlement of underlying material, frost action or from other causes; calking and repairing with cement grouting, asphalt or other water proof material, replacing worn parts due to decay or other causes and repairs and renewals to connecting piping and fittings.

717—Repairs of Fountains and Troughs

Charge this account with all expenses for labor and materials incurred in repairing, overhauling and changing positions of fountains and troughs. This includes repairs and renewals of parts, painting, repairs to foundations and settings, connections, etc.

718—Repairs of Distribution Buildings, Fixtures and Grounds

Charge to this account all expenses for labor and materials incurred in repairing buildings, fixtures and grounds devoted exclusively to the distribution system.

UTILITY EQUIPMENT

Operation

730—Utility Expense

Charge to this account all expense incurred in operating utility equipment, including salaries and wages of stable employes, drivers, chauffeurs and employes operating utility apparatus, together with such expenses as water for stable use, feed, bedding, axle grease, blankets, shoeing horses, gasoline, etc., and other utility equipment supplies of a similar character.

Maintenance

731—Repairs to Utility Equipment

Charge this account with the expense of all labor and material in repairing wagons, trucks, harnesses, automobiles, bicycles, motorcycles, and other utility equipment. Also cost of horses purchased to replace others lost by death or worn out in service, and automobiles replaced for ones worn out in service, unless it is the policy of the utility to replace such losses through the Depreciation Reserve.

733—Repairs Utility Equipment Buildings and Fixtures

Charge to this account all labor, material and expenses incurred in repairing utility equipment, buildings, fixtures and grounds, including stables, barns, garages, utility equipment storage structures, stable yards, fences, etc.

COMMERCIAL EXPENSE

741—Office Salaries and Expense

Charge to this account the proportion of salaries and expenses of general officers and assistants in charge of commercial department and salaries of bookkeepers and all clerks in the accounting and collection departments having to do with consumers' accounts, as follows:

(a) Salaries and Expense—Meter Indexer

Salaries and expenses of meter indexer, including indexers' lamps.

(b) Salaries and Expenses—Accounting Department

Proportion of salaries and expenses of general officer and assistants in charge of commercial department, and salaries of bookkeepers and all clerks in the accounting department having to do with consumers' accounts.

(c) Salaries and Expense—Collection Bureau

Salaries and expenses of chief and assistants in bureau; collectors' salaries, badges, car fares, delivering bills.

(d) Salaries and Expense—Contract Department

Salaries and expenses incurred in the contract department, including attention to bill questions.

742—Office Supplies and Expenses

Charge to this account the cost of stationery, meals, car fare, heat, janitor, telephones, rents for commercial offices, and all other incidental expenses.

743—Advertising

Charge to this account all the payments for advertising, advertising manager's salary, clerks of the department, sundries, including booklets, dodgers, newspaper advertising, posters, bulletins, etc.

GENERAL EXPENSE

761—Salaries and Expense of General Officers

Charge to this account the salaries and expenses of the Chairman of the Board, President, Vice-President, Secretary, Treasurer, General Manager, Assistant General Manager, Comptroller, General Auditor, Chief Engineer, General Superintendent, Purchasing Agent and all other officers with jurisdiction extending over the entire system, whose services cannot be satisfactorily allocated to the several departments (also include directors' fees).

762—Salaries and Expense of General Office Clerks

Charge to this account all of the amounts paid out for salaries of all employees in the general office, as follows:

(a) Accounting Department Expense

Proportion of salaries of general officer and assistants in accounting department—cashiers, bookkeepers, and clerks—chargeable to this account.

(b) Purchasing Department Expense

Salaries and expenses of Purchasing Agent and staff.

(c) General Service Expense

Salaries and expenses of general service in office, including mail clerks, stenographic department, telephone operators, etc.

763—Printing and Stationery—General

Charge to this account the cost of all stationery and office supplies in the general office.

764—General Office Expense

Charge to this account all of the amounts paid out for sundry expense in general office as follows:

(a) Office Sundries

Sundry expenses in general office.

Principal items: Advertising stockholders' meetings, maps, exchange on remittances, post-office box, safe deposit box, traveling expenses, rentals, janitors' supplies, bond and stock expenses.

(b) Postage, Telephone, Telegrams.

All expenses of this nature in the general office.

765—Repairs to General Office Buildings

Charge to this account the cost of all labor and material expended in the repairs and maintenance of general office buildings.

766—Expense—General

Charge to this account all of the amounts paid out for salaries and expense of the technical staff which may not be charged to any of the foregoing operating or construction accounts. Include also any expense general to the business not chargeable specifically to general office accounts.

767—Law Expense—General

Charge to this account all law expenses, except those incurred in the defense and settlement of damage claims. This includes salaries and expenses of all counsel, solicitors and attorneys, their clerks and attendants, and expenses of their offices; cost of law books, printing briefs, legal forms, testimony reports, etc., fees and retainers for services of attorneys not regular employees; court costs and payment of special, notarial and witness fees, not provided for elsewhere; expense in connection with taking depositions, and all law and court expenses not provided for elsewhere.

NOTE.—The compensation of the General Solicitor or Counsel, or other attorneys engaged partially in the defense or settlement of damage suits, or partially in legal work, should be properly proportioned between this account and account Injuries and Damages.

768—Injuries and Damages (Unless the Cost is Chargeable to Plant Investment)

Charge to this account all expenses (other than law expenses provided for in account No. 767) relating to persons killed or injured and property damaged in connection with the operation of the plant, as enumerated under the following heads:

(a) Claim Department Expense

This head includes salaries and expenses of claim agent, investigators, adjusters, and others engaged in the investigation of accidents and adjustment of claims, including legal expense.

(b) Medical Expense

This head includes salaries, fees and expenses of surgeons, nursing, hospital attendants, medical and surgical supplies; fees and expenses of coroners and undertakers, and contributions to hospitals.

(c) Injuries to Employees

This head includes amounts paid in settlement of claims of employees for injuries arising in the course of their employment; also wages paid to disabled employees while off duty.

(d) Injuries to Others

This head includes amounts paid in settlement of claims for injuries to individuals other than employees of the Company, including amounts paid for damages to property to those other than employees.

769—Insurance

Charge to this account premiums paid to insure against fire, fidelity, boilers, casualty, burglary, and all other insurance; also amount set aside as an insurance reserve.

770—Relief Department and Pensions

Charge to this account all amounts expended for Pension and Relief Department work and all expenses in connection therewith.

771—Franchise Requirements

Charge to this account at current rates the service furnished in compliance with franchise requirements and for which no payment is received by the corporation; also all direct expense, such as paving and other like matters incurred in compliance with such requirements and for which no reimbursement is received by the corporation. Amounts charged to this account representing free service shall be credited to the below provided account No. 774—Duplicate Water Charges—Cr.

773—Inventory Adjustments

Charge or credit to this account any shortages or overages shown by the inventory of Materials and Supplies which cannot be distributed to the proper construction or operating expense account.

774—Duplicate Water Charges—Credit

Credit to this account all charges made to any accounts in water operating expenses in respect of any service or other product of the operations of the utility consumed therein or furnished free to the municipality under franchise requirements.

(a) Rebates and Allowances

Charge to this account all rebates allowed for corrections, error in billing, fast meters, etc.

775—Depreciation Account

Charge to this account at monthly intervals the monthly proportion of the estimated annual depreciation of the tangible property due to wear and tear, obsolescence and inadequacy. The estimate here required shall be made upon a rule designed to effect by its uniform application during the life of the tangible property in service, a charge into operating expenses of the total original cost of such property, less its salvage or scrap value upon retirement. The amount charged to this account shall be concurrently credited to the reserve account No. 351, "Depreciation Reserve."

NOTE.—Until otherwise ordered the amount estimated to cover such wear and tear and obsolescence and inadequacy shall be determined by the

accounting utility, based on the utility's knowledge and experience during the preceding years of operation.

This account does not include ordinary repairs and replacements, the extent of which does not amount to a substantial change of identity. All ordinary repairs and replacements must be charged to the property maintenance accounts.

776—Real Estate Rentals

Charge to this account all rentals paid and expenses incurred for buildings or space used for the purposes of the business, unless the premises are used solely for construction purposes, or in connection with a clearing or apportionment account, in which latter events the rentals should be charged accordingly.

779—Taxes

Charge to this account the amount paid or accrued for taxes of every description applicable to the property of the company devoted to its operations including taxes on mains, real estate, buildings, capital stock, franchises, gross receipts, easements and Federal (income) tax.

780—Uncollectible Bills

When after a reasonably diligent effort to collect any account due for water sold has proved impracticable of collection, it shall be charged to this account and credited to the account receivable in which theretofore charged.

NOTE.—Where no reserve for uncollectible bills is kept, cash received on account of items previously charged off should be credited directly to this account.

NON-OPERATING REVENUES

782—Rents from Lease of Real Estate and Buildings

Credit to this account monthly, as they accrue, all miscellaneous rent revenues flowing to the corporation as a return upon leased property other than water plant and equipment.

783—Interest and Dividends from Investments

(a) Interest from Bond and Other Investments

Credit to this account monthly, as it accrues, all interest from bond and other investments; that is to say, all interest accruing to the corporation upon all such of its interest-bearing investments as are liabilities of solvent concerns and individuals.

(b) Dividends from Stock Investments

Credit to this account at their cash values, and as of the date when declared, all dividends declared by solvent concerns upon stocks held by the corporation among its investments.

784—Steam and Heating Department Revenue

Credit to this account all revenues derived from heating buildings by means of exhaust or live steam and hot water at special flat rates; also all revenue derived from the sale of exhaust and live steam for heating and power purposes at metered rates.

785—Miscellaneous Non-Operating Revenues

Credit to this account all non-operative revenues accruing to the company and not provided for in any of the foregoing accounts.

NON-OPERATING EXPENSES

786—Steam and Heating Department Expenses

Charge to this account all items of operating expenses which can be segregated and originate directly from the production and sale of steam for power and heating purposes, or from the furnishing of heat energy by the medium of steam or hot water.

Charge to this account also the proportion assignable to Steam and Heating Department of all operating expenses (including commercial, promotion and general expenses) which are common to the production and sale of water and the production and sale of steam and heat energy and cannot be directly segregated and assigned to the heat and water departments respectively. Such proportion shall be determined pro rata upon the basis of steam units utilized in the respective departments, or upon such other basis as will be most equitable for the distribution of the items involved. The proportions of such expenses so charged shall be likewise credited to the respective operating expense accounts of the water department involved in such division of expense, provided the entire expense has been carried in those accounts in the first instances.

787—Other Non-Operating Expenses

Charge to this account all matters provided for under the following sub-accounts and not included elsewhere.

(a) Rent Expense

This sub-account includes all expense arising in connection with the procuring of revenues from property let out to others, including the cost of negotiating contracts, advertising for tenants, fees paid conveyancers, collector's commissions, cost of enforcing payment of rent, cost of ousting tenants, etc., and all other expense arising in connection with such property. This applies only to leases conveying the property out of the possession of the corporation, and it includes the expense accruing while the property is idle and awaiting an occupant. This sub-account includes cost of maintenance of the property when such cost is borne by the corporation. Such maintenance includes depreciation as well as repairable wear and tear. It does not include taxes.

(b) Interest Expense

This sub-account includes all expense arising in connection with procuring interest upon investments, such as expense of collection, expense of investigating delay in payment, expense of enforcing payment, and the like. It does not include taxes on such investments.

(c) Dividend Expense

This sub-account includes all expense rising in connection with the collection of dividends on stocks of other corporations; also all expense incurred in the investigation of the affairs of the corporation whose stocks are held, whether for the purpose of detecting mismanagement or for the purpose of inducing the declaration of dividends, and all expense connected with enforcing payment of dividends when declared. It does not include taxes on such investments.

(d) Non-Operating Taxes

This sub-account includes all taxes accruing upon non-operating property and all assignable to non-operating revenues.

(e) Uncollectible Non-Operating Revenues

When any non-operating revenues are judged by the corporation to be uncollectible, the amount thereof shall be credited to the account in which theretofore carried, and charged to this sub-account.

(f) Miscellaneous Non-Operating Expense

This sub-account includes all non-operating expense which is not provided for in the foregoing sub-accounts.

DEDUCTIONS FROM INCOME

788—Interest on Funded Debt

Charge to this account all interest accruing absolutely on the outstanding funded debt of the corporation.

This includes mortgage bonds, income bonds (if interest on such be payable), debentures and mortgages and ground rents.

789—Interest on Unfunded Debt

Charge to this account all interest paid or accrued on promissory notes or other unfunded debt of the utility.

790—Extinguishment of Discount on Securities

Charge to this account at the close of each year the proportion of the unextinguished discount on securities applicable to the period. This proportion shall be such an amount as will completely wipe out the discount on the debt during the interval between issue and maturity of the same. The amount so charged shall be concurrently credited to account No. 251.

The corporation may, if it so desire, wipe out such discount earlier by charging all or any portion thereof to Year's Profit and Loss Account.

791—Sinking Fund Accruals

Charge to this account and credit Sinking Fund Reserves the amount of all accruals required to be made to Sinking Fund in accordance with the provisions of mortgages or other contracts requiring the establishment of sinking funds.

792—Miscellaneous Deductions from Income

Charge to this account all income deductions not provided for in any of the foregoing accounts.

793—Extinguishment of Premium on Debt—Credit

Credit to this account at or after the close of any fiscal period the proportion of the premium received on outstanding debt at time of issue which is applicable to the period. This proportion is to be determined according to a rule, the uniform application of which during the interval between the issue and the maturity of any debt will completely amortize or wipe out the premium so received. The amount so credited shall be concurrently charged to account No. 353. Such amortization may, at the option of the corporation, be effected by crediting all or any portion of such premium to Profit and Loss account only upon the maturity of the debt.

APPROPRIATIONS

795—Dividends Declared

Immediately upon the declaration of a dividend, this account should be charged the amount of such dividend and credit made to the account Dividends Payable.

796—Miscellaneous Appropriations

(a) Expenses Elsewhere Unprovided For

Charge to this account all expenses not chargeable as a part of operating expenses or of non-operating expenses, such as fines levied on the corporation for violation of law, for misfeasance, for non-feasance, etc., fines levied on directors, officers and other employees and assumed by the corporation, donations of funds to churches and other associations, and other like expenses and outgoings.

(b) Adjustments of Accounts for Previous Years

Charge or credit to this account all adjustments, affecting previous years' Profit and Loss not applicable to the current fiscal year.